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## LEGISLATIVE HISTORY

Public Law 726

H. R. 11356

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## INDEX AND SUMMARY OF H. R. 11356

Hearings: House hearings on H. R. 10082  
Senate hearings: Miscellaneous unnumbered

May 22, 1956 Rep. Richards introduced H. R. 11356. Referred to House Committee on Foreign Affairs. Print of bill as introduced and referred.

May 23, 1956 House committee ordered H. R. 11356 reported.

May 25, 1956 House committee reported H. R. 11356 without amendment. House Report No. 2213. Print of bill and report.

May 29, 1956 Digest of bill as reported.  
House Rules Committee reported resolution for consideration of H. R. 11356. H.Res. 515, H. Report 2221. Print of resolution and report.

June 5, 1956 House Foreign Affairs Committee reported the minority views on H. R. 11356. House Report 2213, Pt. 2. Print of report.

June 6, 1956 House began debate.

June 7 and  
8, 1956 House continued debate on H. R. 11356.

June 11, 1956 House passed with amendments H. R. 11356. Print of bill. Referred to Senate Committee on Foreign Relations.

June 18, 1956 Senate committee ordered reported H. R. 11356.

June 19, 1956 Senate committee reported H. R. 11356 with amendments. Senate Report No. 2273. Print of bill and report.

June 25, 1956 Digest of bill as reported by Senate Committee.

June 26, 1956 Senate made H. R. 11356 its unfinished business.

June 27, 1956 Senate began debate on H. R. 11356.

June 28, 1956 Senate continued debate on H. R. 11356.

June 29, 1956 Senate passed H. R. 11356 with amendments. Print of bill as passed by Senate.  
Senate conferees appointed.

July 2, 1956 House conferees appointed.

July 7, 1956 House received conference report. House Report No. 2643. Print of conference report.

July 9, 1956 Both Houses agreed to conference report.

July 18, 1956 Approved; Public Law 726, 84th Cong.

(Prints of all amendments received are in history)

9. If the above conditions are not met, the following conditions must be met:

1. The first part of the paper is devoted to the study of the properties of the function  $f(x)$  defined by the equation

...and the ...

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1981. 3. 20.

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• *Abstracts of papers presented at the 1994 Annual Meeting of the American Psychological Association, Washington, DC, August 12-16, 1994.*

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*Journal of Management Education*



## DIGEST OF PUBLIC LAW 726

MUTUAL SECURITY ACT OF 1956. Authorizes the appropriation of \$3,827,575,000 to carry forward the mutual security program. Authorizes \$293,000,000 for development assistance. Provides for a single economic development fund for all the countries of Asia, the Middle East, and Africa. Provides that 80 percent of development assistance be on a loan basis, except to the extent that funds are used for financing sales of surplus agricultural commodities under section 402 of the Mutual Security Act of 1954, or for regional projects. Authorizes \$3,000,000 for payment of ocean freight charges on gift packages shipped by voluntary non-profit agencies. Increases the ceiling on U. S. annual contributions to the Food and Agriculture Organization from \$2,000,000 to \$3,000,000 but includes a provision limiting the U. S. contribution to 31.5 percent of the FAO budget. Authorizes \$140,500,000 for bilateral technical assistance, \$15,500,000 for U. N. expanded technical assistance program, and \$1,500,000 for the Organization of American States program. Amends section 402 of the previous Act, which relates to earmarking of funds for financing the export and sale for foreign currencies of surplus agricultural commodities by providing that not less than \$250,000,000 of funds authorized to be made available under the act for fiscal year 1957 may be used only for such purpose. Authorizes the use of Public Law 480 (83rd Cong.) currencies for an expanded educational exchange program. Authorizes the use of the equivalent of \$5,000,000 in foreign currencies under Public Law 480 funds for the financing of the translation, publication, and distribution of books and periodicals abroad.

SECTION 101. (a) The Secretary of the Department of the Interior

is authorized to carry out the following program:

(1) To provide for the development of the

economic development of the

State and Federal

in or a local area, except to the extent that funds are used for

the sale of surplus agricultural commodities under section 401 of the

Internal Security Act of 1950, or for regional projects.

(2) To provide for the payment of ocean freight charges on

by voluntary non-profit agencies.

(3) To provide for the payment of ocean freight charges on

to \$5,000,000 and in excess of \$5,000,000 for the

to 51.2 percent of the total budget.

Technical assistance, \$15,000,000 for

projects, and \$1,500,000 for the

Article section 102 of the previous Act, which relates to

for the financing of the

agricultural commodities in providing that not less than \$50,000,000 of

funds authorized to be made available under this act for fiscal year 1951

may be used only for such purposes.

(b) The Secretary is authorized to provide for an expanded educational exchange program.

Under the use of the provisions of \$5,000,000 in foreign exchange under

public law 100 funds for the financing of the

districts of public and private schools.







84TH CONGRESS  
2D SESSION

# H. R. 11356

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## IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1956

Mr. RICHARDS introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To amend further the Mutual Security Act of 1954, as amended,  
and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Mutual Security Act of  
4       1956".

5       SEC. 2. Title I, chapter 1, of the Mutual Security Act  
6       of 1954, as amended, which relates to military assistance,  
7       is further amended as follows:

8       (a) In section 103 (a), which relates to authorizations,  
9       add the following new paragraph:

10       “(3) In addition, there is hereby authorized to be

1 appropriated to the President to carry out the purposes of  
2 this chapter not to exceed \$1,925,000,000, of which not less  
3 than \$48,000,000 shall be used to provide assistance to Spain  
4 and not more than \$402,000,000 may be used to provide  
5 assistance to other European countries, and which shall re-  
6 main available until expended.”

7 (b) In section 105, strike out subsections (c) and (d).

8 SEC. 3. Title I, chapter 3, of the Mutual Security Act  
9 of 1954, as amended, which relates to defense support, is  
10 further amended by substituting a semicolon for the period  
11 after “Asia” in subsection (c) of section 131 and inserting  
12 thereafter the following:

13 “and for the fiscal year 1957 not to exceed—

14 “(1) \$63,700,000 for Europe (excluding Greece  
15 and Turkey) ;

16 “(2) \$170,000,000 for the Near East (including  
17 Greece and Turkey) and Africa;

18 “(3) \$882,000,000 for Asia; and

19 “(4) \$32,000,000 for Latin America.

20 “Funds made available under paragraph (4) may be  
21 used to furnish assistance designed to sustain and increase  
22 military or internal defense efforts, and may be used without  
23 regard to the requirements of sections 141 and 142 in the  
24 case of any nation which is a party to the Inter-American  
25 Treaty of Reciprocal Assistance and which has adhered to

1 the resolution of 1954 entitled 'Declaration of Solidarity  
2 for the Preservation of the Political Integrity of the Ameri-  
3 can States against the Intervention of International Com-  
4 munism'."

5 SEC. 4. Title II of the Mutual Security Act of 1954, as  
6 amended, which relates to development assistance, is  
7 amended by striking out sections 201 and 202 and sub-  
8 stituting the following new section:

9 "SEC. 201. AUTHORIZATION.—(a) In addition to the  
10 funds heretofore appropriated pursuant to the provisions of  
11 sections 201 and 418 of this Act as in effect prior to the  
12 enactment of the Mutual Security Act of 1956, which  
13 funds shall remain available for their original purposes in  
14 accordance with the provisions of law originally applicable  
15 thereto, there is hereby authorized to be appropriated to the  
16 President not to exceed \$243,000,000, to remain available  
17 until June 30, 1960, for assistance designed to promote the  
18 economic development of free Asia, the Middle East, and  
19 Africa, based on self-help and mutual cooperation of friendly  
20 nations, and to maintain economic and political stability in  
21 these areas.

22 "(b) The President is authorized to utilize the funds  
23 hereafter made available for purposes of this title to ac-  
24 complish in these areas policies and purposes declared in  
25 this Act, and to disburse them on such terms and condi-

1 tions, including transfer of funds, as he may specify: *Pro-*  
2 *vided*, That such assistance shall only be available on terms  
3 of repayment, except (1) when such funds are used to  
4 finance sales of surplus agricultural commodities under sec-  
5 tion 402, or (2) when granted for the purpose of a regional  
6 project involving two or more beneficiary nations: *And*  
7 *provided further*, That not more than 25 per centum of any  
8 funds hereafter made available for purposes of this title shall  
9 be used in furnishing assistance to any one nation (including  
10 bilateral assistance furnished to such nation as well as such  
11 nation's proportionate share of assistance furnished for re-  
12 gional projects in which it is involved).

13       “(c) To be eligible for bilateral assistance from funds  
14 hereafter made available for purposes of this title, a nation  
15 shall have entered into a written agreement, satisfactory  
16 to the President, to permit participation by private enter-  
17 prise in the accomplishment of any of the purposes of this  
18 Act in conformance with the provisions of section 413, which  
19 relates to encouragement of free enterprise and private par-  
20 ticipation.

21       “(d) Funds made available under this title may be  
22 used for expenses (other than those provided for under  
23 section 411 (c) of this Act) to assist in carrying out func-  
24 tions under the Agricultural Trade Development and Assist-



1   ance Act of 1954, as amended (7 U. S. C. 1691 and the  
2   following), delegated or assigned to any agency or officer  
3   administering nonmilitary assistance.”

4       SEC. 5. Title III of the Mutual Security Act of 1954,  
5   as amended, which relates to technical cooperation, is further  
6   amended as follows:

7       (a) In section 304 (b), which relates to authorization,  
8   after “\$146,500,000”, insert “, and for the fiscal year 1957  
9   not to exceed \$140,500,000,”.

10      (b) In section 306, which relates to multilateral tech-  
11   nical cooperation:

12      (1) In subsection (a), which relates to contributions  
13   to the United Nations Expanded Program of Technical As-  
14   sistance, strike out all following “1956” and substitute “, and  
15   \$15,500,000 for the fiscal year 1957, for such contributions;”.

16      (2) In subsection (b), which relates to contributions  
17   to the technical cooperation programs of the Organization of  
18   American States, strike out all following “1956” and substi-  
19   tute “, and \$1,500,000 for the fiscal year 1957, for such  
20   contributions.”.

21      (c) In section 307, which relates to advances, grants,  
22   and contracts, strike out all following “Congress,” in the last  
23   sentence thereof and substitute “extend at any time for not  
24   more than three years.”.

1        SEC. 6. Title IV of the Mutual Security Act of 1954, as  
2 amended, which relates to other programs, is further amended  
3 as follows:

4        (a) Amend section 401, which relates to special fund,  
5 as follows:

6        (1) In the first sentence of subsection (a), strike out  
7 “\$50,000,000” and substitute “\$150,000,000”; and in the  
8 last sentence of such subsection strike out “\$20,000,000”  
9 and substitute “\$30,000,000”.

10        (2) In subsection (b), after “\$100,000,000”, insert  
11 “, and for the fiscal year 1957 not to exceed \$100,000,000,”.

12        (b) In section 402, which relates to earmarking of  
13 funds, after “\$300,000,000”, insert “, and of the funds so  
14 authorized for the fiscal year 1957 not less than  
15 \$250,000,000,”.

16        (c) In section 403 (b), which relates to special assist-  
17 ance in joint control areas, after “\$21,000,000”, insert “,  
18 and for the fiscal year 1957 not to exceed \$12,200,000,”.

19        (d) Amend section 405, which relates to migrants,  
20 refugees, and escapees, as follows:

21        (1) In subsection (c), after “\$1,400,000”, insert “, and  
22 for the fiscal year 1957 not to exceed \$2,300,000,”.

23        (2) In subsection (d), after “\$6,000,000”, insert “,  
24 and for the fiscal year 1957 not to exceed \$7,000,000,”.

25        (e) In section 406 (b), which relates to children’s wel-

1 fare, after “\$14,500,000”, insert “, and for the fiscal year  
2 1957 not to exceed \$10,000,000,”.

3 (f) In section 407 (b) which relates to Palestine ref-  
4 ugees in the Near East, strike out “for the fiscal year 1956”.

5 (g) Amend section 409, which relates to ocean freight  
6 charges, as follows:

7 (1) In subsection (c), after “\$2,000,000” in the last  
8 sentence thereof, insert “, and for the fiscal year 1957 not  
9 to exceed \$1,400,000,”.

10 (2) In subsection (d), after “\$13,000,000” in the first  
11 sentence thereof, insert “, and for the fiscal year 1957 not  
12 to exceed \$14,000,000,”.

13 (h) In section 410, which relates to Control Act ex-  
14 penses, after “\$1,175,000,” in the first sentence thereof, in-  
15 sert “and for the fiscal year 1957 not to exceed  
16 \$1,175,000,”.

17 (i) Amend section 411, which relates to administra-  
18 tive and other expenses, as follows:

19 (1) In subsection (b), strike out all that follows “\$35,-  
20 225,000,” and insert “and for the fiscal year 1957 not to  
21 exceed \$35,250,000, for necessary administrative expenses  
22 incident to carrying out the provisions of this Act (other  
23 than chapter 1 of title I and section 124).”.

24 (2) Redesignate subsection “(c)” as subsection “(e)”,



1 and insert after subsection (b) the following new sub-  
2 sections:

3 “(c) Not to exceed \$1,500,000 of funds made available  
4 under title II may be transferred in the fiscal year 1957  
5 for necessary administrative expenses not otherwise pro-  
6 vided for incident to carrying out functions under the Agri-  
7 cultural Trade Development and Assistance Act of 1954, as  
8 amended (7 U. S. C. 1691 and the following), delegated  
9 or assigned to any agency or officer administering nonmili-  
10 tary assistance, and the amounts so transferred shall be con-  
11 solidated with funds made available pursuant to this section  
12 for said fiscal year.

13 “(d) There are authorized to be appropriated to the  
14 Department of State such amounts as may be necessary  
15 from time to time for administrative expenses which are in-  
16 curred for normal functions of the Department which relate  
17 to functions under this Act.”

18 (j) In section 413 (b) (2), after “to encourage and  
19 facilitate the flow of private investment to”, insert “, and its  
20 equitable treatment in,”.

21 (k) Amend section 413 (b) (4) as follows:

22 (1) After “may make”, insert “, through the Interna-  
23 tional Cooperation Administration”.

24 (2) Substitute “June 30, 1967” for “June 30, 1957”.

25 (3) In subparagraph (B) (ii), before the semicolon



1 at the end thereof, insert "or by reason of war, revolution,  
2 or insurrection".

3 (4) Amend subparagraph (F) to read as follows:

4 " (F) the President is authorized to issue guaranties  
5 up to a total face value of \$500,000,000 exclusive of  
6 informational media guaranties heretofore and hereafter  
7 issued pursuant to section 1011 of the Act of January  
8 27, 1948, as amended (22 U. S. C. 1442), and section  
9 111 (b) (3) of the Economic Cooperation Act of 1948,  
10 as amended (22 U. S. C. 1509 (b) (3) ) : *Provided*,  
11 That any funds allocated to a guaranty and remaining  
12 after all liability of the United States assumed in con-  
13 nection therewith has been released, discharged, or  
14 otherwise terminated, and funds realized after June 30,  
15 1955, from the sale of currencies or other assets acquired  
16 pursuant to subparagraph (C), shall be available for  
17 allocation to other guaranties, and the foregoing limi-  
18 tation shall be increased to the extent that such funds  
19 become available. Any payments made to discharge  
20 liabilities under guaranties issued under this paragraph  
21 shall be paid out of fees collected under subparagraph  
22 (E) as long as such fees are available, and thereafter  
23 shall be paid out of funds realized from the sale of cur-  
24 rencies or other assets acquired pursuant to sub-

paragraph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: *Provided*, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: *Provided further*, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to

the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2)."

(l) Amend section 415, which relates to assistance to international organization, as follows:

(1) Change "ORGANIZATION" in the title to "ORGANIZATIONS".

(2) After "the North Atlantic Treaty Organization", insert "and the Organization for European Economic Cooperation".

(m) Repeal section 418, which relates to President's Fund for Asian Economic Development.

(n) Add the following new section:

"SEC. 420. FOOD AND AGRICULTURE ORGANIZATION.—Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking out the figure '\$2,000,000' in section 2 thereof and inserting in lieu thereof the figure '\$3,000,000'."

SEC. 7. The Mutual Security Act of 1954, as amended, is further amended by inserting immediately after the first section thereof and before title I the following new section:

"SEC. 2. STATEMENT OF POLICY.—The Congress of



1 the United States, recognizing that the peace of the world  
2 and the security of the United States are endangered as long  
3 as international communism and the nations it controls con-  
4 tinue by threat of military action, use of economic pressure,  
5 internal subversion, or other means to attempt to bring under  
6 their domination peoples now free and independent and con-  
7 tinue to deny the rights of freedom and self-government to  
8 peoples and nations once free but now subject to such  
9 domination, declares it to be the policy of the United States  
10 to continue as long as such danger to the peace of the world  
11 and to the security of the United States persists to make  
12 available to free nations and peoples upon request assistance  
13 of such nature and in such amounts as the United States is  
14 able to provide compatible with its own stability, strength,  
15 and other obligations, and as may be needed and effectively  
16 used by such free nations and peoples to help them maintain  
17 their freedom.”

18 SEC. 8. Title V, chapter 1, of the Mutual Security Act  
19 of 1954, as amended, which relates to general provisions, is  
20 further amended as follows:

21 (a) In section 501, which relates to transferability of  
22 funds, strike out the last two sentences and insert in lieu  
23 thereof the following: “Any funds transferred under this sec-  
24 tion for the purpose of furnishing assistance under section  
25 201 shall be available only for furnishing assistance on terms

1 of repayment in accordance with section 505, for furnish-  
2 ing surplus agricultural commodities under section 402, or  
3 for making grants for regional projects involving two or  
4 more beneficiary nations.”

5 (b) In section 507, which relates to availability of  
6 funds, after “students)”, insert “and other provisions of this  
7 Act,”.

8 (c) In section 509, which relates to shipping on United  
9 States vessels, after “this Act” in the last sentence thereof,  
10 insert “or the Agricultural Trade Development and Assist-  
11 ance Act of 1954, as amended (7 U. S. C. 1691 and the  
12 following),”.

13 SEC. 9. Title V, chapter 2, of the Mutual Security Act  
14 of 1954, as amended, which relates to organization and  
15 administration, is further amended as follows:

16 (a) In section 521, which relates to delegation of author-  
17 ity by the President, after “subsection (b)” in subsection  
18 (a), insert “and section 413 (b) (4)”.

19 (b) Amend section 522, which relates to allocation and  
20 reimbursement among agencies, as follows:

21 (1) Add the following at the end of subsection (b):  
22 “The Administrator of General Services is authorized to  
23 maintain in a separate consolidated account, which shall be  
24 free from fiscal year limitations, payments received by the

1 General Services Administration for administrative sur-  
2 charges in connection with procurement services performed  
3 by the General Services Administration in furtherance of the  
4 purposes of this Act. Such payments shall be in amounts  
5 mutually acceptable to the General Services Administration  
6 and the agency administering nonmilitary assistance, and  
7 these amounts shall be available for administrative expenses  
8 incurred by the General Services Administration in perform-  
9 ing such procurement services.”

10 (2) Add the following new subsection:

11 “(f) Any appropriation made to carry out the pro-  
12 visions of this Act may initially be charged, within the limits  
13 of available funds, to finance expenses for which funds are  
14 available in other appropriations made under this Act: *Pro-*  
15 *vided*, That as of the end of the same fiscal year such ex-  
16 penses shall be finally charged to applicable appropriations  
17 with proper credit to the appropriations initially utilized  
18 for financing purposes.”

19 (c) In section 530, which relates to experts and con-  
20 sultants or organizations thereof, insert before the period  
21 at the end of subsection (a) the following: “: *Provided*,  
22 That contracts for such employment with such organizations  
23 may be renewed annually”.

24 (d) In section 532, which relates to exemption of per-  
25 sonnel from certain Federal laws, add the following at the



1 end of subsection (a) : "Contracts for the employment of  
2 retired military personnel as experts or consultants under  
3 section 530 (a) may be renewed annually, notwithstanding  
4 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a)."

5 (e) Amend section 535, which relates to cooperation  
6 with international organizations, as follows:

7 (1) Insert "NATIONS AND" after "WITH" in the  
8 title.

9 (2) Amend subsection (b) to read as follows:

10 "(b) Whenever the President determines it to be in fur-  
11 therance of the purposes of this Act, United States Govern-  
12 ment agencies, on request of international organizations, are  
13 authorized to furnish supplies, materials, and services, and on  
14 request of nations, are authorized to furnish nonmilitary sup-  
15 plies, materials, and services, to such organizations and na-  
16 tions on an advance of funds or reimbursement basis. Such  
17 advances, or reimbursements which are received under this  
18 subsection within one hundred eighty days after the close of  
19 the fiscal year in which such supplies, materials, and services  
20 are delivered, may be credited to the current applicable ap-  
21 propriation or fund of the agency concerned and shall be  
22 available for the purposes for which such appropriations and  
23 funds are authorized to be used."

24 (f) Add the following new section:

1       “SEC. 537. PROVISIONS ON USES OF FUNDS.—

2       “(a) Appropriations for the purposes of this Act (except  
3 for chapter 1 of title I and section 124), allocations to any  
4 United States Government agency, from other appropriations,  
5 for functions directly related to the purposes of this Act,  
6 and funds made available for other purposes to any agency  
7 administering nonmilitary assistance, shall, except as may  
8 subsequently be otherwise provided by law, be available for  
9 the purposes specified in section 102 of the Mutual Security  
10 Appropriation Act, 1956 (subject each fiscal year to the  
11 limitations on the amounts of funds which can be used for  
12 such purposes), in section 2 of Public Law 495, Eighty-third  
13 Congress (with respect to the remains of persons or members  
14 of the families of persons who may die while away from  
15 their homes participating in activities under this Act or  
16 other Acts directly related to the purposes of this Act), and  
17 in section 902 of the Foreign Service Act of 1946, as amended  
18 (with respect to chiefs of mission appointed pursuant to  
19 section 526 of this Act), and for the purchase of passenger  
20 motor vehicles: *Provided*, That passenger motor vehicles for  
21 administrative purposes may be purchased only as specified  
22 in section 102 of the Mutual Security Appropriation Act,  
23 1956, or as specifically otherwise provided by law.

24       “(b) United States Government agencies are authorized



1 to pay the costs of health and accident insurance for foreign  
2 participants in any exchange-of-persons program or any  
3 program of furnishing technical information and assistance  
4 administered by any such agency while such participants  
5 are en route or absent from their homes for purposes of  
6 participation in any such program.”

7 SEC. 10. Title V, chapter 3, of the Mutual Security  
8 Act of 1954, as amended, which relates to repeal and mis-  
9 cellaneous provisions, is further amended as follows:

10 (a) Amend section 544, which relates to amendments  
11 to other laws, by adding the following new subsections:

12 “(c) In section 4 of the Act of May 26, 1949 (63  
13 Stat. 111, 5 U. S. C. 151c), insert after the words ‘such  
14 functions’ the following: ‘, including if he shall so specify  
15 the authority successively to redelegate any of such func-  
16 tions,’.

17 “(d) In the first sentence of section 32 (b) (2) of the  
18 Surplus Property Act of 1944, as amended (50 U. S. C.  
19 App. 1641 (b) (2) ), after ‘any agency thereof’, insert  
20 ‘including amounts received in repayment of principal or  
21 interest on any loan made under section 505 (b) of the  
22 Mutual Security Act of 1954, as amended’.

23 “(e) Section 933 of the Foreign Service Act of 1946,  
24 as amended (22 U. S. C. 1148), is hereby amended by

1 inserting after 'continental United States' where it appears  
2 in both subsection (a) and subsection (b) of that section  
3 ', its Territories and possessions,'.

4 “(f) Section 1441 (c) of the Internal Revenue Code  
5 of 1954 is hereby amended by inserting after paragraph (5)  
6 the following new paragraph:

7 “‘(6) PER DIEM OF CERTAIN ALIENS.—No deduc-  
8 tion or withholding under subsection (a) shall be re-  
9 quired in the case of amounts of per diem for subsistence  
10 paid by the United States Government (directly or by  
11 contract) to any non-resident alien individual who is  
12 engaged in any program of training in the United States  
13 under the Mutual Security Act of 1954, as amended.’

14 “(g) Section 1011 of the United States Information and  
15 Educational Exchange Act of 1948, as amended (22 U. S. C.  
16 1442), is amended by inserting ‘(a)’ before ‘The Director’,  
17 by deleting everything after the words ‘national interests  
18 of the United States’, by inserting a period at that point,  
19 and by inserting the following new subsections:

20 “‘(b) The Director is authorized to assume the obliga-  
21 tion of not to exceed \$28,000,000 of the notes authorized  
22 to be issued pursuant to subsection 111 (c) (2) of the  
23 Economic Cooperation Act of 1948, as amended (22  
24 U. S. C. 1509 (c) (2)), together with the interest accrued  
25 and unpaid thereon, and to obtain advances from time to

1 time from the Secretary of the Treasury up to such amount,  
2 less amounts previously advanced on such notes, as provided  
3 for in said notes. Such advances shall be deposited in a  
4 special account in the Treasury available for payments  
5 under informational media guaranties.

6 ““(c) The Director is authorized to make informational  
7 media guaranties without regard to the limitations of time  
8 contained in subsection 413 (b) (4) of the Mutual Se-  
9 curity Act of 1954, as amended (22 U. S. C. 1933 (b)  
10 (4) ), but the total of such guaranties outstanding at any  
11 one time shall not exceed the sum of the face amount of  
12 the notes assumed by the Director less the amounts pre-  
13 viously advanced on such notes by the Secretary of the  
14 Treasury plus the amount of the funds in the special account  
15 referred to in subsection (b).

16 ““(d) Foreign currencies available after June 30,  
17 1955, from conversions made pursuant to the obligation of  
18 informational media guaranties may be sold, in accordance  
19 with Treasury Department regulations, for dollars which  
20 shall be deposited in the special account and shall be avail-  
21 able for payments under new guaranties.

22 ““(e) Notwithstanding the provisions of subparagraph  
23 413 (b) (4) (E) of the Mutual Security Act of 1954, as  
24 amended (22 U. S. C. 1933 (b) (4) (E) ), (1) fees  
25 collected for the issuance of informational media guaranties



1 shall be deposited in the special account and shall be avail-  
2 able for payments under informational media guaranties;  
3 and (2) the Director may require the payment of a mini-  
4 mum charge of up to fifty dollars for issuance of guaranty  
5 contracts, or amendments thereto.

6 “ ‘(f) The Director is further authorized, under such  
7 terms as he may prescribe, to make advance payments  
8 under informational media guaranties: *Provided*, That cur-  
9 rencies receivable from holders of such guaranties on account  
10 of such advance payments shall be paid to the United  
11 States within nine months from the date of the advance  
12 payment and that appropriate security to assure such pay-  
13 ments is required before any advance payment is made.

14 “ ‘(g) As soon as feasible after the enactment of this  
15 subsection, all assets, liabilities, income, expenses, and charges  
16 of whatever kind pertaining to informational media guar-  
17 anties, including any charges against the authority to issue  
18 notes provided in section 111 (c) (2) of the Economic  
19 Cooperation Act of 1948, as amended, cumulative from the  
20 enactment of that Act, shall be accounted for separately from  
21 other guaranties issued pursuant to subsection 413 (b) of  
22 the Mutual Security Act of 1954, as amended (22 U. S. C.  
23 1933 (b) ) : *Provided*, That there shall be transferred from  
24 the special account established pursuant to subsection (a),  
25 into the account available for payments under guaranties

1 other than informational media guaranties, an amount equal  
2 to the total of the fees received for the issuance of guar-  
3 anties other than informational media guaranties, and used  
4 to make payments under informational media guaranties.’”

5 (b) Amend section 545, which relates to definitions, as  
6 follows:

7 (1) Add at the end of subsection (h) the following:  
8 “Notwithstanding the foregoing provisions of this subsection  
9 (h) and for the purpose of establishing a more equitable  
10 pricing system for transactions between the military depart-  
11 ments and the Mutual Defense Assistance Program, the  
12 Secretary of Defense shall prescribe at the earliest practicable  
13 date, through appropriate pricing regulations of uniform ap-  
14 plicability, that the term ‘value’ (except in the case of excess  
15 equipment or materials) shall mean—

16 “(1) the price of equipment or materials obtaining  
17 for similar transactions between the Armed Forces of  
18 the United States; or

19 “(2) where there are no similar transactions within  
20 the meaning of paragraph (1), the gross cost to the  
21 United States adjusted as appropriate for condition and  
22 market value.”

23 (2) Add the following new subsections:

24 “(j) The term ‘agency administering nonmilitary assist-  
25 ance’ shall refer to any agency to which authorities and func-

tions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

“(k) The term ‘officer administering nonmilitary assistance’ shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.”

(c) In section 548, which relates to unexpended balances, strike out “heretofore”, substitute “1957” for “1956”, and strike out the colon and the remainder of the sentence following “Act” the second time it appears and insert a period.

(d) Add the following new section:

“SEC. 550. SPECIAL PROVISION ON AVAILABILITY OF FUNDS.—An amount equal to 25 per centum of the funds authorized to be appropriated for any fiscal year for purposes of chapter 3 of title I, title III, or section 403 of this Act is authorized to be continued available for three months beyond the end of the fiscal year for which appropriated.”

#### FOREIGN RESEARCH REACTOR PROJECTS

SEC. 11. (a) As one means of furthering peaceful uses of atomic energy on an international basis, there is hereby authorized to be appropriated to the President for the fiscal year 1957 not to exceed \$5,950,000 for use by the Presi-

1 dent, on such terms and conditions as he may specify, for  
2 research reactor projects undertaken or authorized by foreign  
3 governments which shall have entered into agreements for  
4 cooperation with the Government of the United States con-  
5 cerning the peaceful uses of atomic energy.

6 (b) Nothing in this section shall alter, amend, revoke,  
7 repeal, or otherwise affect the provisions of the Atomic  
8 Energy Act of 1954.

9 (c) The United States share of the cost of any reactor  
10 made available to another government or to other govern-  
11 ments shall not exceed \$350,000.

12 (d) In carrying out the purposes of this section the  
13 Director, the Atomic Energy Commission, and other United  
14 States departments and agencies shall give full and con-  
15 tinuous publicity through the press, radio, and all other  
16 available media, so as to inform the peoples of the par-  
17 ticipating countries regarding the assistance, including its  
18 purpose, source, and character, furnished by the United  
19 States. Such portions of the equipment furnished under  
20 this section as may be appropriately die-stamped as a  
21 product of the United States shall be so stamped.



84TH CONGRESS  
2d Session

H. R. 11356

## A BILL

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

By Mr. RICHARDS

MAY 22, 1956

Referred to the Committee on Foreign Affairs







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued May 24, 1956  
For actions of May 23, 1956  
84th-2nd, No. 85

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HIGHLIGHTS: House agreed to conference report on farm bill. Ready for President. House conferees appointed on USDA appropriation bill. House committee ordered reported bill to increase CCC borrowing authority. House committee ordered reported mutual security bill. House received conference reports on bill to facilitate completion of minor reclamation projects and bill to provide for Federal cooperation in non-Federal reclamation projects. Both Houses received USDA proposed bill on regulation of interstate movement of plant pests. House committee ordered reported bill to authorize use of CCC grain for feeding wild birds. Senate passed Johnston retirement bill. Senate committee reported Commerce (continued on page 6)

## HOUSE

1. FARM PROGRAM. Agreed to the conference report on H. R. 10875, the farm bill, by a vote of 304 to 59. p. 7950 This bill is now ready for the President.
2. APPROPRIATIONS. Conferees were appointed on H. R. 11177, the USDA appropriation bill for 1957. p. 7960 (Senate conferees were appointed May 22.)
3. RECLAMATION. Received the conference report on H. R. 5881, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects. The conferees agreed to limit the application of this bill to the 17 Western reclamation States, to provide for authorization of projects by the appropriate Congressional committees, and to provide with modifications that local participating organizations not be required to contribute in excess of 25% of the reimbursable costs and that projects producing electric power conform to the power preference provisions of the reclamation laws (H. Rept. 2200). p. 7961  
Rep. Aspinall requested and received permission for Rep. Saylor to file for inclusion in the Congressional Record a statement of his opposition to the conference report on H. R. 5881. p. 7963



Received the conference report on H. R. 6268, to provide for the use of appropriated funds by the Secretary of Interior in contracts for the construction of drainage works and other minor items on Federal reclamation projects (H. Rept. 2199). p. 7961

4. PLANT PESTS. Both Houses received from this Department a proposed bill to amend legislation for regulation of the movement from foreign countries into or through the U. S., and the interstate movements of plant pests; to the Senate Agriculture and Forestry Committee and the House Agriculture Committee. pp. 7894, 7970
5. CCC. The Banking and Currency Committee ordered reported (amended) H. R. 11132, to increase the borrowing power of the CCC. p. D520
6. GRAINS. The Banking and Currency Committee ordered reported H. R. 7641, to provide for the use of surplus grains to feed certain wild birds in an effort to prevent waterfowl depredations. p. D520
7. FOREIGN AID. The Foreign Affairs Committee ordered reported H. R. 11356, to extend the Mutual Security Program. p. D520
8. FORESTRY. Rep. Laird indicated that he had received support for his bill H. R. 10794, to provide for an annual report on the administration of national forests, from conservation groups, and submitted a proposed amendment to his bill to require in the annual report, information on the need for reforestation. p. 7968
9. MINING. The Interior and Insular Affairs Committee reported with amendment H. R. 6501, to permit the disposal of certain reserve mineral deposits under the U. S. mining laws (H. Rept. 2198). p. 7970
10. PERSONNEL. Agreed to the conference report on H. R. 5862, to provide jurisdiction of U. S. district courts to adjudicate certain claims of Federal employees for the recovery of fees, salaries, or compensation. p. 7969 This bill is now ready for the President.
11. POSTAL SERVICE. The Post Office and Civil Service Committee ordered reported H. R. 11380, to readjust postal rates. p. D521
12. APPROPRIATIONS. The Committee report (see Digest 83) on H. R. 11319, the public works appropriation bill for 1957, includes the following statements:

#### SOUTHWESTERN POWER ADMINISTRATION

"The bill includes language providing for the use of \$6,400,000 of receipts from the sale of power for the purchase of firming energy, the rental of facilities, and the payment of wheeling charges.

"During the course of the hearings, the Committee explored extensively the possibility of service to additional preference customers, both through direct sales and through the integration of generation and distribution facilities of the potential additional customers with those of the Southwestern Power Administration. During the course of the hearings last year the Administrator used as an argument against re-implementing the original integration contracts with certain of the generating and transmission cooperatives, the hypothesis that it would take years to properly load the SPA system with additional firm power customers so that it could operate at a proper income level. These arguments failed, and this year it has become convenient for him to argue that there are now more customers than can be served, in order to







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued

May 29, 1956

For actions of

May 28, 1956

84th-2nd, No. 88

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: President signed farm bill. House received conference report on USDA appropriation bill. House received USDA proposed bill for Great Plains program. House committee reported (May 25) mutual security bill. Senate received USDA proposed bill to authorize certain points-of-order items now carried in appropriation bill. (continued on page 7)

### HOUSE

1. APPROPRIATIONS. Received the conference report on H. R. 11177, the agriculture appropriation bill for 1957, after it had been reported on May 25 (H. Rept. 2214). pp. 8230, 8236  
The Appropriations Committee reported without amendment H. R. 11473, the legislative appropriation bill for 1957 (H. Rept. 2212). p. 8236
2. SOIL CONSERVATION. Received from this Department a proposed bill to provide for a Great Plains conservation program; to the Agriculture Committee. p. 8236
3. FOREIGN AID. The Foreign Affairs Committee reported on May 25, without amendment, H. R. 11356, to amend further the Mutual Security Act of 1954 (H. Rept. 2213). p. 8236
4. WATERSHEDS. Both Houses received from the Budget Bureau certain plans for works of improvement prepared pursuant to sec. 5 of the Watershed Protection and Flood Prevention Act; to the Senate Agriculture and Forestry Committee and the House Agriculture Committee. pp. 8162, 8235



5. COMMODITY CREDIT CORPORATION. As reported (see Digest 86), H. R. 11132 increases the borrowing power of CCC from \$12 billion to \$14 billion and amends the penal provisions of the CCC Charter Act to make it a Federal offense to willfully steal or convert property mortgaged or pledged to a lending agency under a CCC program and to reduce from a felony to a misdemeanor certain offenses involving property of a value of \$500 or less.

As reported (see Digest 86), H. R. 7641 authorizes the Interior Department to requisition from CCC such wheat, corn, and other grains as CCC certifies to be available from its price-support inventories for the purpose of feeding migratory waterfowl such as ducks and geese; provides that Interior will reimburse CCC for expenses of packaging and transportation; and authorizes appropriations to reimburse CCC for its investment in the grain.

#### SENATE

6. APPROPRIATIONS. Received from this Department a proposed bill to authorize certain point-of-order items now carried in USDA appropriation bills relative to the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural conservation and related agricultural programs, to facilitate the agricultural attache program, to facilitate the operations of FHA, FCIC, and FS, and for other purposes; to Agriculture and Forestry Committee. p. 8161

The appropriations subcommittee ordered reported with amendments to the full committee H. R. 10003, the D. C. appropriation bill for 1957. p. D539

7. ROADS. Began debate on H. R. 10660, the road bill. Agreed to a unanimous-consent agreement to limit debate, beginning today, to 1 hour on any amendment, and to 2 hours on the final passage of the bill. p. 8172

Several Senators submitted amendments intended to be proposed to the bill. p. 8164

8. PERSONNEL. Received from the Civil Service Commission a proposed bill to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the continental U. S. and Alaska; to Post Office and Civil Service Committee. pp. 8162, 8236

9. NOMINATIONS. Received the nomination of Frederick A. Seaton to be Secretary of Interior. p. 8227

10. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1957. In reporting this bill, H. R. 9536 (see Digest 86), the Appropriations Committee increased Council of Economic Advisers to the full budget estimate of \$365,700, restored the full budget estimate of \$400,000 for the President's management improvement fund, and recommended an increase from \$50 to \$75 in the limitation on per diem rates of consultants under this fund.

11. INDEPENDENT OFFICES APPROPRIATION BILL, 1957. In reporting this bill, H. R. 9739 (see Digest 86), the Appropriations Committee restored \$250,000 of the House reduction of \$335,500 in the Civil Service Commission, decreased the payment to the civil service retirement and disability fund by \$159,562,000 below the House figure, restored the full budget estimates for the Federal Civil Defense Administration (including the item of \$6,000,000 for civil defense functions delegated by FCDA to various Federal agencies, including this Department), added \$613,970 to the House item of \$6,000,000 as an addition to the President's disaster relief fund (including a provision that not over \$6,000,000 shall be expended in any one State), increased Public Buildings Service by \$5,390,300 (\$513,500 below the budget estimate), increased Federal Supply Service by \$150,000 (\$1,068,600 below



# MUTUAL SECURITY ACT OF 1956

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## REPORT

OF THE

## COMMITTEE ON FOREIGN AFFAIRS

ON

## H. R. 11356

TO AMEND FURTHER THE MUTUAL SECURITY ACT  
OF 1954, AS AMENDED, AND FOR OTHER PURPOSES



MAY 25, 1956.—Committed to the Committee of the Whole House  
on the State of the Union and ordered to be printed

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UNITED STATES  
GOVERNMENT PRINTING OFFICE



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## MUTUAL SECURITY ACT OF 1956

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MAY 25, 1956.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. RICHARDS, from the Committee on Foreign Affairs, submitted the following

### R E P O R T

[To accompany H. R. 11356]

The Committee on Foreign Affairs, to whom was referred the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE

This bill authorizes an appropriation of \$3,563,475,000 to carry forward the mutual security program. This is \$1,109 million less than the Executive request.

This is not an appropriation bill. This is a bill to implement the foreign policy of the United States. The amounts recommended are limitations on future appropriations. Many different programs are authorized for many parts of the world. All of them are designed to promote the security of the United States and of the free world. Thus, this bill deals with "foreign aid" in terms essential to American security.

In reporting this bill the committee is aware that the United States is confronted with grave problems in the field of foreign affairs and that satisfactory solutions to many of these problems have not yet been found.

American boys are facing armed Communists across the neutral zone in Korea. Nations such as Turkey, Iran, Vietnam, Thailand and the National Government of the Republic of China which border upon Communist nations, and nations such as the Philippines and Pakistan which lie close to the Communists have committed themselves to our side and are dependent on our continued support. The people of West Berlin should not be abandoned after their courageous resistance

to Soviet threats. These and many other situations which exist in the world make it clear that we should continue the program and strive constantly to improve it.

The committee is aware that continued careful study is necessary to determine the direction the program should take in the future and how much money should be spent to finance it. But the people of the United States are united in their determination to resist international communism by all available means.

The programs authorized by this bill should gain the support of all the free nations of the world in a common effort to stop the continued encroachments of world communism.

The funds authorized in this bill, together with the funds already available from previous appropriations, and the changes in existing law which this bill provides should make it possible for us to meet our commitments to our allies, to help those newer governments which cannot continue to be free and independent without economic and technical assistance, and to take whatever other action may be necessary to counter new efforts by the men in the Kremlin and in Peiping to bring free nations and peoples under their domination.

TABLE I.—*Distribution of fiscal year 1957 program by region, country, title, and function based upon Executive request*

[In thousands of dollars]

Region and country	Title I—Mutual Defense Assistance			Title II Development assistance	Title III Technical Cooperation	Title IV Other Programs	Total
	Ch. 1. Military Assistance	Ch. 3. Defense Support	Title I total				
Total, all programs.....	3,000,000	1,130,760	4,130,700	170,000	157,500	507,075	4,965,275
Europe, total.....	760,471	78,700	839,171			12,200	851,371
Belgium-Luxembourg.....	X X		X X				X X
Denmark.....	X X		X X				X X
France.....	X X		X X				X X
Germany.....	X X		X X				X X
Italy.....	X X		X X				X X
Netherlands.....	X X		X X				X X
Norway.....	X X		X X				X X
Portugal.....	X X		X X				X X
Spain.....	X X	45,000	X X				X X
Yugoslavia.....	X X	30,000	X X				X X
Joint control areas.....						12,000	12,000
Interregional expenses.....		1,200	1,200			200	1,400
Western Europe technical exchange.....		2,500	2,500				2,500
Undistributed by country.....	X X		X X				X X
Near East and Africa, total.....	471,918	170,000	641,918	63,000	34,100	145,300	884,318
Egypt.....				X X	3,800		X X
Ethiopia.....	X X		X X		3,000		X X
Greece.....	X X	X X	X X		1,000		X X
Iran.....	X X	X X	X X		8,000		X X
Iraq.....	X X		X X		2,300		X X
Israel.....				X X	2,000		X X
Jordan.....				X X	2,700		X X
Lebanon.....				X X	2,100		X X
Liberia.....					1,800		1,800
Libya.....				X X	2,000		X X
Turkey.....	X X	X X	X X		2,000		X X
Overseas territories.....					1,200		1,200
Palestine refugees.....						45,300	45,300
Regional and undistributed.....	X X		X X		2,200		X X
Special authorization for the Middle East and Africa.....						100,000	100,000
Asia, total.....	1,166,813	882,000	2,048,813	80,000	63,250	160,000	2,352,063
South Asia countries, sub-total.....	140,217	90,000	230,217	76,000	24,000		330,217
Afghanistan.....					3,000		3,000
Ceylon.....				5,000	1,000		6,000
India.....				70,000	10,000		80,000
Nepal.....				1,000	1,000		2,000
Pakistan.....	X X	X X	X X		9,000		X X
Regional and undistributed.....	X X	X X	X X				X X
Far East countries, sub-total.....	1,026,596	792,000	1,818,596	4,000	39,250		2,192,063
Cambodia.....	X X	X X	X X		2,500		X X
Indonesia.....				4,000	8,000		12,000
Japan.....	X X		X X		2,850		X X
Korea.....	X X	300,000	X X		5,500		X X
Laos.....	X X	X X	X X		1,500		X X
Philippines.....	X X	25,000	X X		5,900		X X
Taiwan.....	X X	86,000	X X		3,400		X X
Thailand.....	X X	30,000	X X		4,600		X X
Vietnam.....	X X	X X	X X		5,000		X X
Far East regional and undistributed.....	X X		X X				X X
President's fund for Asian economic development.....						160,000	160,000

XX denotes that assistance is contemplated but figures have been deleted for classification purposes.

TABLE I.—*Distribution of fiscal year 1957 program by region, country, title, and function based upon Executive request—Continued*

[In thousands of dollars]

Region and country	Title I—Mutual Defense Assistance			Title II Development assistance	Title III Technical Cooperation	Title IV Other Programs	Total
	Ch. 1. Military Assistance	Ch. 3. Defense Support	Title I total				
Latin America, total.....	35,546		35,546	27,000	33,850		96,396
Argentina.....					50		50
Bolivia.....				X X	3,195		X X
Brazil.....	X X		X X		4,739		X X
Chile.....	X X		X X		2,521		X X
Colombia.....	X X		X X		1,536		X X
Costa Rica.....					1,026		1,026
Cuba.....	X X		X X		690		X X
Dominican Republic.....	X X		X X		330		X X
Ecuador.....	X X		X X		1,993		X X
El Salvador.....					1,005		1,005
Guatemala.....	X X		X X	X X	1,730		X X
Haiti.....	X X		X X		1,152		X X
Honduras.....	X X		X X		1,290		X X
Mexico.....					1,185		1,185
Nicaragua.....	X X		X X		919		X X
Panama.....					1,195		1,195
Paraguay.....					1,684		1,684
Peru.....	X X		X X		2,996		X X
Uruguay.....	X X		X X		619		X X
Venezuela.....					225		225
Overseas territories.....					812		812
Regional and undistributed Organization of American States (OAS).....	X X		X X	X X	1,458		X X
					1,500		1,500
Nonregional programs, total....	565,253		565,253		26,300	189,575	781,128
New weapons.....	334,553		334,553				334,553
Infrastructure.....	75,000		75,000				75,000
International military headquarters.....	5,300		5,300				5,300
Mutual weapons development program.....	58,000		58,000				58,000
Foreign military facilities assistance program.....	35,000		35,000				35,000
Administrative expenses (title I, ch. 1).....	25,000		25,000				25,000
Special projects.....	32,400		32,400				32,400
United Nations expanded program of technical assistance.....					15,500		15,500
Special Presidential fund.....						100,000	100,000
Migrants, refugees, and escapees:							
Intergovernmental Committee for European Migration.....						12,500	12,500
United Nations Refugee fund.....						2,300	2,300
Escapee program.....						7,000	7,000
Children's welfare.....						10,000	10,000
Ocean freight:							
Voluntary relief shipments.....						1,400	1,400
Surplus agricultural commodities.....						14,000	14,000
Control Act expenses.....						1,175	1,175
Administrative expenses, sec. 411, Mutual Security Act.....						35,250	35,250
Foreign reactor projects.....						5,950	5,950
Interregional expenses.....					10,800		10,800

NOTE.—Columns may not add because of rounding.

XX denotes that assistance is contemplated but figures have been deleted for classification purposes.



TABLE II.—*Distribution of fiscal year 1957 mutual security program by title and section of the proposed Mutual Security Act of 1956, fiscal year 1957 authorization*<sup>1</sup>

Title and section	Fiscal year 1956 author- ization	Fiscal year 1956 appro- priation	Fiscal year 1957 proposed program	Fiscal year 1957 author- ization request	Recommendations by Com- mittee on Foreign Affairs
	(1)	(2)	(3)	(4)	(5)
<b>TITLE I—MUTUAL DEFENSE ASSISTANCE</b>					
Ch. 1. Military assistance:					
Sec. 103 (a) (3). General authorization.....	\$1,133,000,000	\$583,000,000	\$2,925,000,000	\$2,925,000,000	\$1,925,000,000
Sec. 104. Infrastructure.....		122,000,000	75,000,000	<sup>2</sup> (75,000,000)	(75,000,000)
Total, Ch. 1.....	1,133,000,000	705,000,000	3,000,000,000	2,925,000,000	1,925,000,000
Ch. 2. Southeast Asia, and the western Pacific, and direct forces support: Sec. 124. Direct forces support.....	317,200,000	317,200,000	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Ch. 3. Defense support: Sec. 131 (c):					
(1) Europe.....	92,000,000	85,500,000	78,700,000	78,700,000	63,700,000
(2) Near East and Africa.....	102,500,000	113,700,000	170,000,000	170,000,000	170,000,000
(3) Asia.....	827,800,000	800,000,000	882,000,000	882,000,000	882,000,000
(4) Latin America.....					<sup>8</sup> 32,000,000
Total, ch. 3.....	1,022,300,000	999,200,000	1,130,700,000	1,130,700,000	1,147,700,000
Total, title I.....	2,472,500,000	2,021,400,000	4,130,700,000	4,055,700,000	3,072,700,000
<b>TITLE II—DEVELOPMENT ASSISTANCE</b>					
Sec. 201 (c):					
(1) Near East and Africa.....	73,000,000	73,000,000	63,000,000	63,000,000	{ <sup>9</sup> 243,000,000}
(2) Asia.....	71,000,000	51,000,000	80,000,000	80,000,000	
(3) Latin America.....	38,000,000	38,000,000	27,000,000	27,000,000	
Total, title II.....	182,000,000	162,000,000	170,000,000	170,000,000	243,000,000
<b>TITLE III—TECHNICAL COOPERATION</b>					
Sec. 304 (h). General authorization.....	146,500,000	127,500,000	140,500,000	140,500,000	140,500,000
Sec. 306. Multilateral technical cooperation:					
(a) United Nations expanded program of technical assistance.....	24,000,000	24,000,000	15,500,000	15,500,000	15,500,000
(b) Organization of American States.....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total, title III.....	172,000,000	153,000,000	157,500,000	157,500,000	157,500,000
<b>TITLE IV—OTHER PROGRAMS</b>					
Sec. 401 (h). Special Presidential fund.....	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Sec. 403 (h). Special assistance in joint control areas.....	21,000,000	21,000,000	12,200,000	12,200,000	12,200,000
Sec. 405. Migrants, refugees, and escapees:					
(a) Intergovernmental Committee for European Migration.....		12,500,000	12,500,000	<sup>4</sup> (12,500,000)	
(c) United Nations Refugee Fund.....	1,400,000	1,200,000	2,300,000	2,300,000	2,300,000
(d) Escapee program.....	6,000,000	6,000,000	7,000,000	7,000,000	7,000,000
Sec. 406 (h). Children's Welfare.....	14,500,000	14,500,000	10,000,000	10,000,000	10,000,000
Sec. 407 (h). Palestine refugees in the Near East.....	65,000,000	58,366,750	45,300,000	<sup>5</sup> (45,300,000)	<sup>5</sup> (45,300,000)
Sec. 408. North Atlantic Treaty Organization.....		<sup>6</sup> 3,700,000			
Sec. 409. Ocean freight charges:					
(c) Voluntary relief shipments.....	2,000,000	2,000,000	1,400,000	1,400,000	1,400,000
(d) Surplus agricultural commodities.....	13,000,000	13,000,000	14,000,000	14,000,000	14,000,000

See footnotes at end of table, p. 6.

TABLE II.—*Distribution of fiscal year 1957 mutual security program by title and section of the proposed Mutual Security Act of 1956, fiscal year 1957 authorization*<sup>1</sup>—Continued

Title and section	Fiscal year 1956 author- ization	Fiscal year 1956 appro- priation	Fiscal year 1957 proposed program	Fiscal year 1957 author- ization request	Recommendations by Com- mittee on For- eign Affairs
	(1)	(2)	(3)	(4)	(5)
Sec. 410. Control Act expenses	\$1, 175, 000	\$1, 175, 000	\$1, 175, 000	\$1, 175, 000	\$1, 175, 000
Sec. 411 (b). Administrative and other expenses (other than ch. 1 of title I, and sec. 124)	35, 225, 000	33, 500, 000	35, 250, 000	35, 250, 000	35, 250, 000
Sec. 418 (b) President's Fund for Asian Economic Develop- ment	200, 000, 000	100, 000, 000	<sup>7</sup> 160, 000, 000	<sup>7</sup> (100, 000, 000)	<sup>10</sup> (—100, 000, 000)
Sec. 420. Special authorization for the Middle East and Africa			100, 000, 000	100, 000, 000	(11) 5, 950, 000
Sec. 11. Foreign reactor projects			5, 950, 000	5, 950, 000	
Sec. 420. Food and Agriculture Organization					<sup>12</sup> 1, 000, 000
Total, title IV	459, 300, 000	366, 941, 750	507, 075, 000	289, 275, 000	90, 275, 000
Grand total, all titles	3, 285, 800, 000	2, 703, 341, 750	4, 965, 275, 000	<sup>14</sup> 4, 672, 475, 000	3, 563, 475, 000

<sup>1</sup> Fiscal year 1957 appropriation request submitted by the executive branch was \$4,859,975,000.

<sup>2</sup> 1957 authorization not being requested as sec. 104 of the Mutual Security Act of 1954 authorized the appropriation of \$321 million in installments prior to June 30, 1958. In fiscal year 1955 \$100 million was appropriated. An additional \$122 million was appropriated in fiscal year 1956, leaving an unappropriated authorization of \$99 million. The 1957 appropriation request will leave an unappropriated authorization balance of \$24 million.

<sup>3</sup> Funds for 1957 in the amount of \$374.3 million for this function have been included with "Military assistance."

<sup>4</sup> Continuing authorization provided under sec. 405 (a) of the Mutual Security Act of 1954.

<sup>5</sup> Estimated unobligated balance for which carryover authority is requested.

<sup>6</sup> Operating responsibility for this program transferred to Department of State in 1957.

<sup>7</sup> Of the \$200 million authorized in the Mutual Security Act of 1955, which is available through June 30, 1958, \$100 million remains to be appropriated. Of the initial appropriation of \$100 million for fiscal year 1956 the estimated carryover into fiscal year 1957 is \$60 million. The \$100 million appropriation plus the carryover will make available \$160 million for programming in fiscal year 1957.

<sup>8</sup> "Development assistance, Latin America," was transferred to "Defense support, Latin America," and increased from \$27 million to \$32 million.

<sup>9</sup> This sum is included in sec. 4 of H. R. 11356 which amends sec. 201 of the Mutual Security Act of 1954. The sum was determined by adding the executive request for development assistance, Near East and Africa, and Asia—\$63 million and \$80 million respectively; Asian economic development, \$100 million; and special authorization for Middle East and Africa, \$100 million. Total, \$343 million. This was then reduced to \$243 million.

<sup>10</sup> The authorization contained in this section is repealed by sec. 6 (m) of H. R. 11356. See footnote 9.

<sup>11</sup> See footnote 9.

<sup>12</sup> Public Law 806, 81st Cong., authorized a contribution of \$2 million to the Food and Agriculture Organization. Sec. 6 (n) of H. R. 11356 increases this to \$3 million.

TABLE III

*Estimated unobligated and unreserved balance June 30, 1956*

	Estimate in March 1956	Estimate in May 1956
Military	\$297, 000, 000	\$195, 500, 000
Nonmilitary	106, 600, 000	190, 000, 000
Total	403, 600, 000	385, 500, 000

*Estimated unexpended balance June 30, 1956*

	Estimate in March 1956	Estimate in May 1956
Military	\$4, 765, 100, 000	\$5, 000, 000, 000
Nonmilitary	1, 678, 200, 000	1, 800, 000, 000
Total	6, 443, 300, 000	6, 800, 000, 000

RELATION OF MUTUAL SECURITY PROGRAM TO DEPARTMENT OF  
DEFENSE BUDGET

The sums authorized in this bill for military purposes are for the defense of the United States. During the hearings this point was emphasized by witnesses from the executive branch. Adm. Arthur W. Radford, Chairman, Joint Chiefs of Staff, testified that the mutual security program—

is an essential part of the defense of the United States and of the free world. In planning military programs of the United States the existence and scope of the military assistance program is fully considered. There is no duplication. They supplement each other. Both are essential to our own national defense \* \* \* (hearings p. 333).

Last year Admiral Radford made a similar statement.

\* \* \* the military aid program is part and parcel of the United States Defense Department program. The expenditures abroad in support of our alliances do not differ in purpose, scope, or objective from our own military expenditures. The fact that this part of our program is not included in the Defense Department budget is more a matter of procedure and administration than of substance (hearings, 1955, p. 239.)

Hon. Gordon Gray, Assistant Secretary for International Security Affairs, Department of Defense, made the point that "but for the military forces generated, stimulated, and assisted by our military assistance program, to attain the same measure of military security in the world our own forces would have to be larger."

Mr. Gray threw further light on the close relation between this program and our own defense program when he informed the Committee that our allies—

are getting more and more of the same equipment that we have actively in the hands of our own troops. Indeed, there are some items now in our programs which are being delivered simultaneously to allied countries and to our own troops, where this is possible without impairing the combat effectiveness of our own troops (hearings, p. 101).

The committee was informed that, of the estimated unexpended balance of \$4,779.7 million, \$3,146.9 million was taken directly out of common-item orders, and \$1,632.8 million was applied against separate contracts. Thus, only a third goes for expenditures outside of regular defense budget items. (See pp. 206-207 of hearings.)

The identity of purpose between our own Department of Defense budget and the funds authorized for the mutual security program raises the question whether these two items should be considered separately.

In his testimony Mr. Gray stated that "the Defense Department could live under either structure" but he noted that "nobody has initiated a change" (hearings, p. 102).

The committee voted to recommend that, while legislative policy authorization should continue to be coordinated and reviewed as at present, the executive branch carefully consider placing the military portion of the mutual security program in the Department of Defense budget next year.

## UNITED STATES FOREIGN POLICY IN THE MIDDLE EAST

During the course of its hearings the committee inquired of witnesses from the executive branch their views on the problems of the Middle East and United States policy in that area particularly as it



concerns the relations of the Arab States and Israel. Hon. John Foster Dulles, testifying on the importance of the area, made this observation (hearings, p. 980):

\* \* \* in relation to Europe \* \* \* the Soviet Union seems to be on its best behavior. But their behavior is not so good in the Middle East, where they have played fast and loose with peace in the area by a reckless policy of dispensing arms. This is an area which is of great importance to the United States, both because it includes the State of Israel, with which the United States has close ties, and also because the area produces the oil required for industry and the military establishment of Western Europe.

The committee was advised that the policy of the United States continues as was stated by Secretary Dulles in his speech on August 26, 1955:

The United States, as a friend of both Israelis and Arabs, has given the situation deep and anxious thought and has come to certain conclusions, the expression of which may help men of good will within the area to fresh constructive efforts. I speak in this matter with the authority of President Eisenhower. \* \* \*

President Eisenhower has authorized me to say that, given a solution of the other related problems, he would recommend that the United States join in formal treaty engagements to prevent or thwart any effort by either side to alter by force the boundaries between Israel and its Arab neighbors.

The purpose of our programs in the Middle East was stated by Hon. John B. Hollister, Director, International Cooperation Administration, in these words (hearings, p. 41):

In the Arab States and in Israel, we hope that our programs, which are designed to accelerate desperately needed economic development and to provide a partial answer to the pitiful plight of the refugees from Israel, will also help in the solution of the bitter controversies that now plague the whole Near East. We are prepared to support any programs or projects that hold real promise of constructive progress on these problems, including broad support for regional projects that will harness the energy and equitably distribute the waters of the Jordan River or facilitate the resettlement of refugees.

The problems between the Arab States and Israel were stated by Hon. George Allen, Assistant Secretary of State for Near Eastern, South Asian and African Affairs, as follows (hearings, p. 593):

The principal problems between the Arab States and Israel at the present moment are first and the most serious, I think, is the question of agreed boundaries. A close second is the settlement of refugees. Many people think the refugee question ought to be put first.

A third question is the status of Jerusalem.

Many schemes have been put forward by various people for the internationalization of Jerusalem, or at least of the holy places. There are suggestions for an international commission which would have supervisory jurisdiction over access to the actual holy places themselves, without trying to exercise sovereignty over the territory. That is a possible solution.

The point of view of the United States administration is that while we should not have too inflexible and fixed a position on this, we should always recognize Jerusalem as a city which encompasses places holy to three great religions, and that none of those should be overlooked.

On the matter of United States policy Mr. Allen made these statements (hearings, pp. 543, 564, and 537, respectively):

The United States is trying to conduct its foreign relations in a responsible manner. We want to maintain friendship with all the peoples of the Middle East (hearings, p. 543).

\* \* \* We are concentrating on trying to work through the United Nations if we possibly can (hearings, p. 564).

\* \* \* United States policy is aimed at the achievement of a peaceful and equitable settlement of Arab-Israel differences. Our goal in the area is the permanent security of the States there (hearings, p. 537).



The committee was reassured both on and off the record that the program does not include any money or plans for military aid to Israel or to the Arab States bordering on Israel.

#### STATUS OF FORCES TREATY AND AGREEMENTS

The committee considered an amendment to this bill which would require the President to terminate any assistance being furnished under the Mutual Security Act to a nation which exercises criminal jurisdiction over United States service personnel stationed within its boundaries by reason of any treaty or international agreement. This proposal was not accepted by the committee. This action was taken only after careful and deliberate consideration. The committee held extensive hearings on House Joint Resolution 309 and similar resolutions relating to this same subject on July 13, 14, 19, 20, 21, and 26, 1955, January 31, and February 1 and 2, 1956. The committee had decided before taking up the mutual security bill to assign this subject for further study to a subcommittee (appointed April 13, 1956) which has responsibility for keeping informed of decisions by our courts (including the Supreme Court) on certain pending cases which are relevant to this issue. Members of this subcommittee are Hon. Omar Burleson, Texas, chairman; Hon. Brooks Hays, Arkansas; Hon. James G. Donovan, New York; Hon. Robert B. Chipfield, Illinois; and Hon. Lawrence H. Smith, Wisconsin.

An important reason for the desire of the committee to hold open its consideration of the issues involved in the Status of Forces Treaty was the fact that several cases relevant to the treaty are now pending in United States courts. At the request of the chairman of the committee the Attorney General submitted a summary and analysis of the following cases:

*United States ex rel. Krueger v. Kinsella* (D. C. S. D., W. Va., decided January 16, 1956)

*United States ex rel. Covert v. Reid* (D. C. D. C., decided November 22, 1955)

*United States ex rel. Toth v. Quarles* (350 U. S. 11)

*Madsen v. Kinsella* (343 U. S. 341)

*United States ex rel. Keefe v. Dulles* (222 F. 2d 390 C. A. D. C., 1954, cert. den. 348 U. S. 952)

*May et al. v. Wilson et al.* (D. C. D. C., Civil No. 128-56)

His comments as to their relevance are as follows:

The relevance of the foregoing cases to the NATO Status of Forces Agreement or the similar agreement with Japan differs in respect to each case. Since the Toth case concerned the amenability of an honorably discharged ex-serviceman to the Uniform Code of Military Justice and considered only his constitutional rights under purely domestic American law, its relevance, if any, to the Status of Forces Agreement is remote. The Madsen case, arising during the occupation of Germany, presented a problem under the law of war. Since the law of war is antithetical to international diplomacy in times of peace, the Madsen case has no relevance to the Status of Forces Agreement.

The relevance of the Krueger and Covert cases to the Status of Forces Agreement is uncertain because of their present posture as pending cases. If the Supreme Court holds article 2 (11) of the Uniform Code of Military Justice as within the power of Congress under article I, section 8, clause 14, of the Constitution, they will have no peculiar relevance to the NATO agreements. If, however, the Court sustains article 2 (11) as within the power of Congress to enact legislation to aid the President in his conduct of foreign affairs, they may be relevant, in some degree, to the Status of Forces Agreement. On the other

hand, should the Court hold the present law invalid and the Government without present power to prosecute dependents who commit crimes while abroad, a number of serious questions, possibly involving international agreements, may be presented.

The Keefe and the May cases have a direct bearing on the Status of Forces Agreement and the Japanese protocol. In the Keefe case, France asserted its primary jurisdiction under the Status of Forces Agreement to try an American serviceman for a local crime committed off base and not in line of duty. However nothing in the case indicates that a different result would have accrued had the agreement not been in force. In the May case, the Japanese officials are asserting the right under the protocol to try four American servicemen for off-duty, off-post crimes. Since the protocol with Japan embodies substantially the same provisions as the NATO Status of Forces Agreements, and since the validity of the protocol is directly in issue, the outcome of this case, now before the courts, will have a bearing on the agreement. However, as previously noted, in denying the preliminary injunction, the Court concluded that the protocol was valid "in all respects" and that in the absence of such an agreement the plaintiffs would have been "subject to the criminal jurisdiction of the Japanese court" (hearings on H. J. Res. 309 and similar measures, pt. II, pp. 658-659).

The committee believes that no satisfactory conclusions as to the constitutional and legal issues involved can be arrived at until the Supreme Court has handed down additional decisions on these matters.

The hearings before the committee brought out a number of important facts:

(1) On November 30, 1955 (the latest figures submitted), there were 81 United States military personnel serving sentences to confinement imposed by foreign tribunals.

(2) In the 12-month period prior to November 30, 1955, foreign authorities had waived their right to exercise jurisdiction over 66 percent of 10,249 cases where they could have exercised jurisdiction. A detailed analysis of the situation is shown in the following summary:

*Exercise of criminal jurisdiction by foreign tribunals over United States citizens subject to military law*

[Worldwide in area; all services for period Dec. 1, 1954-Nov. 30, 1955]

Number of offenses subject to foreign jurisdiction.....	10,249.
Offenses subject to foreign jurisdiction as to which a waiver of local jurisdiction was obtained.	6,769, or 66.04 percent.
Number of offenses subject to foreign jurisdiction as to which charges were "dropped".	274 or 2.6 percent.
Number of offenses tried by local tribunals.....	3,142 or 30.65 percent.
Number of serious offenses tried by local tribunals <sup>1</sup> ..	353 or 11.23 percent.
Number of offenses tried by local tribunals as to which there was an acquittal.	225 or 7.16 percent.
Offenses tried by local tribunals as to which a sentence to confinement was imposed.	266.
Percent of offenses tried by local tribunals.....	8.46 percent.
Percent of all offenses subject to foreign jurisdiction.	2.59 percent.
Sentences to confinement not suspended.....	120.
Percent of offenses tried by local tribunals.....	3.81 percent.
Percent of all offenses subject to foreign jurisdiction.	1.17 percent.
Offenses tried by local tribunals as to which a fine only was imposed.	2,595.
Percent of offenses tried by local tribunals.....	82.59 percent.
Percent of all offenses subject to foreign jurisdiction.	25.31 percent.

<sup>1</sup> Murder, rape, manslaughter, arson, robbery, larceny and related offenses, burglary and related offenses, forgery and related offenses, and aggravated assault.



The hearings did not bring to light a single instance where it is claimed that an American serviceman believed to be innocent has been imprisoned by a foreign court, or an American sentenced for an act which in the United States would not be considered a crime. Neither has any case of mutilation, flogging, or any other cruel, unusual, or excessive punishment been cited.

A decision as to the action which should be taken on the Status of Forces Treaty involves a balancing of the natural resentment felt by every American against the fact that American boys are being tried in foreign courts and imprisoned in foreign jails against the danger to United States security which would result if we had to withdraw from our important foreign bases and if certain foreign nations refused to cooperate with us in our defense effort as a consequence of our cutting off aid to them.

If the immediate, practical problem of maintaining our present defense posture with its extensive reliance on strategic bases could be disregarded, the decision on the status of forces issue would involve only the application of logical analysis to legal precedents and moral principles.

The fact is that the treaty has been agreed to and ratified in accordance with our constitutional procedures. It is not a question of what might have been had our policy been different in 1951 when the treaty was being negotiated or in 1953 when it was ratified. The question is what the consequences of reopening the issue without following the procedures for modification set forth in the treaty will be.

The bargaining power of the United States has diminished in important respects during recent years, particularly because economic aid has declined. In addition, international tension has lessened and none of our allies anticipates military aggression by the Soviet Union in the near future. As a consequence, nations are less willing to sacrifice their sovereign rights than they once were and they feel somewhat less under obligation to the United States.

Some of our most important strategic bases (including the Azores and the Arab countries) are located in countries which never received much United States assistance. Furthermore, these nations do not feel that the bases are of much direct advantage to them. Instead, the bases are regarded as likely to draw attack in time of war.

In nearly all of the countries where our troops are stationed a speaker receives hearty applause if he speaks against subservience to the United States and urges his government to follow an independent course. It would be difficult for even our most friendly and sympathetic allies to get legislative approval of a new agreement, giving the United States greater jurisdiction over its forces than the present treaty provides.

It would be particularly unfavorable to our cold-war strategy to have the United States announce a reversal of its position on this issue at the present time. Our most pressing problems appear to involve the nations of Asia and Africa where the issue of colonialism is of great importance. The current Soviet line is to take sides with the former colonies against the western nations and to charge the United States with following a policy of imperialism. The Communists

would certainly exploit any action by the United States demanding that other nations restore to us full jurisdiction over our forces "or else."

Gen. Alfred M. Gruenther, Supreme Commander, Allied Powers, Europe, in a message to the Committee on Foreign Affairs confirmed the military significance of the Status of Forces Treaty:

In my opinion, the denunciation of the Status of Forces Agreement by the United States or any insistence by the United States for a major revision of this agreement would so undermine the spirit of the alliance as to cause its serious deterioration with the gravest consequences to the essential security of our country.

\* \* \* \* \*

While all the other NATO countries are agreed that their soldiers will receive fair hearings in the courts of the others, the United States would be alone in maintaining that its people can only be tried by United States courts. We would thus seem to place ourselves in a unique category. I can assure you no alliance can efficiently and successfully function if one of the partners thus sets itself apart from the others. Our troops are not in wartime occupied countries. They are on the territory of sovereign friends who have willingly joined in a unique peacetime alliance to preserve our common freedoms and to prevent another and even more devastating world conflict. It would be impossible to explain to our allies why the United States would refuse to permit their jurisdiction over the more serious crimes committed off duty (hearings on H. J. Res. 309 and similar measures, pt. II, pp. 946, 947).

The committee urges that the status of forces problem be faced directly and considered on its merits. It should not be used as a device for attacking the mutual security program. The decision to abandon any of our bases or to withdraw United States forces from any country should be made by our military commanders because in their judgment military strategy no longer required the maintenance of particular foreign installations. It would not be in the interest of national security to have such withdrawals made necessary because we happened to get ourselves into a political controversy over the status of our forces.

### STUDY OF TECHNICAL COOPERATION PROGRAM

In view of the committee's consideration of the technical cooperation program as a vital part of our foreign aid effort, the committee expects the executive branch, in whatever study or reappraisal it may make of the mutual security program, to give special consideration to technical assistance. In this connection, an analysis and study should be made of how the technical cooperation program can be given the special emphasis which it merits, possibly through its separation from the other programs contained in the mutual security program and by placing technical assistance in a new agency or new Government corporation devoted exclusively to this peoples-to-peoples program.

### PROVISIONS OF THE BILL

#### SECTION 2—MILITARY ASSISTANCE

The bill authorizes \$1,925 million for military assistance. This is a reduction, by a committee vote of 18 to 11, of \$1 billion from the Executive request.



The program presented by the Executive in support of its request for \$2,925 million proposed that military assistance would be divided among regions as follows:

Europe.....	\$760, 471, 000
Near East and Africa.....	471, 918, 000
Asia.....	1, 166, 813, 000
Latin America.....	35, 546, 000
Non-Regional.....	490, 253, 000

The bill limits the funds which may be used for Europe to \$450 million, of which \$48 million can be used only to supply military assistance to Spain. The purpose of the committee is to assure that our military assistance to Spain will not be curtailed even though the authorization for Europe is reduced.

The committee is convinced that the funds authorized are adequate to permit carrying forward the military programs as planned for Asia, the Near East and Africa, and Latin America if materiel and equipment already financed from prior appropriations now scheduled for Europe but undelivered is diverted to these areas.

The latest information supplied to the committee shows that as of November 30, 1955, the following amounts of undelivered military items financed with 1950-56 funds were in the pipeline:

Europe.....	\$3, 634, 303, 000
Near East and Africa.....	598, 149, 000
Asia.....	1, 464, 340, 000
Latin America.....	47, 089, 000
Non-regional.....	661, 762, 000

Total.....	6, 405, 643, 000
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The Defense Department was not able to provide a more current regional breakdown of the pipeline figures.

On May 16 the Defense Department estimated the unexpended balance of military funds as of June 30, 1956, to be \$5 billion.

The committee believes that a substantial amount of the equipment scheduled for delivery to Europe is equally suitable for delivery to forces in Korea, Formosa, Thailand, Pakistan, Turkey and other non-European nations. The present situation in Europe involves sufficient elements of uncertainty to justify diverting some of the pipeline to other areas until the defense policy which Europe intends to follow is clearer.

The committee recognizes the urgency of carrying forward the military assistance program. Korea has the largest force in Asia opposed to the Communists. Its quality is excellent and its determination to fight unquestioned. Only a small part of the front in Korea is now held by United States forces. If the Korean forces were not available, the United States would either have to man the line with our own troops or abandon to the Communists the territory for which so many American boys died. Korea does not have the resources to maintain its present military effort. The United States has no alternative but to carry a substantial part of the burden.

Comparable situations exist in the case of other nations of Asia and the Near East which border on Communist territory. They have already committed themselves to fight if necessary to meet a Soviet

attack. Their own resources are inadequate to maintain effective military forces. It is in our interest to assist them.

The committee believes that our support of NATO should continue. The nations of Western Europe are prosperous, however, and in some cases appear to be relaxing their defense efforts. The United States cannot hope to overcome a lack of zeal on the part of any nation by supplying it with equipment. The future of NATO will be determined to a larger degree by what the nations of Europe do with their own resources than by the assistance rendered by the United States.

### SECTION 3—DEFENSE SUPPORT

The bill authorizes \$1,147,700,000 for defense support, divided by areas as follows:

Europe (excluding Greece and Turkey).....	\$63, 700, 000
Near East (including Greece and Turkey).....	170, 000, 000
Asia.....	882, 000, 000
Latin America.....	32, 000, 000

Except in the case of Latin America, as noted below, defense support is economic assistance supplied to countries receiving direct military assistance from the United States which are financing military programs too large for their own resources to support. These nations could not devote as large a proportion of their manpower to military service, of their industry to the production of arms and military equipment, and of their budgets to defense as they are doing if the United States did not help finance some of their imports. Defense support is not directed necessarily to the defense industries of the recipient nation. The objective is to relieve the country of a portion of its economic burden so that it can carry a heavier military load.

#### *Defense support—Comparison of new authorization with previous years*

Area	Fiscal year 1955	Fiscal year 1956	Fiscal year 1957
Europe.....	\$176, 467, 000	\$83, 800, 000	\$63, 700, 000
Near East and Africa.....	163, 453, 000	163, 700, 000	170, 000, 000
Asia.....	936, 866, 000	797, 250, 000	882, 000, 000
Total.....	1, 276, 786, 000	1, 044, 750, 000	1, 115, 700, 000

In the judgment of the committee the concept of defense support is sound. The principal question concerning it has always been whether the situation in the individual countries involved really justifies such aid. There can be no question but that all the countries which are to receive defense support authorized in this bill are poor countries which are making a military effort substantially in excess of what they could maintain with their own resources.

The following table lists all of the countries for which defense support was planned by the executive branch in its request for authorization. The amounts shown are those requested and do not reflect adjustments which will be made necessary as a result of the reduction in authorization by the committee. The amounts for certain countries are omitted because the executive branch regards them as classified.

*Defense support—Distribution, by countries, of authorization requested by executive*

<b>Europe:</b>		
Spain.....	\$45, 000, 000	
Yugoslavia.....	30, 000, 000	
Regional.....	3, 700, 000	
Total.....		\$78, 700, 000
<b>Near East and Africa:</b>		
Greece.....	Classified	
Iran.....	Classified	
Turkey.....	Classified	
Total.....		170, 000, 000
<b>Asia:</b>		
Pakistan.....	Classified	
Cambodia.....	Classified	
Korea.....	300, 000, 000	
Laos.....	Classified	
Philippines.....	25, 000, 000	
Taiwan.....	86, 000, 000	
Thailand.....	30, 000, 000	
Vietnam.....	Classified	
Total.....		882, 000, 000

The committee reduced the authorization for defense support for Europe, by \$15 million below the executive request, to \$63,700,000. The purpose of this reduction was to reduce the assistance which had been requested for Yugoslavia by 50 percent.

None of the countries listed can be regarded as prosperous and it is recognized that all maintain large military forces in relation to their economic resources and manpower. None of the major industrialized nations is included. In Europe, Spain is a poor country with a large army which has permitted us to build air and naval bases within its territory. Yugoslavia has a large proportion of its manpower under arms and is a country of very limited resources. Its location is highly strategic.

In the Near East, only Greece, Iran, and Turkey are scheduled to receive defense support. Greece and Turkey have for years maintained military forces recognized by everyone as substantially larger than they can maintain with their own resources. Iran has recently joined the Baghdad Pact. Until its economy recovers from the near bankruptcy, which it faced under the Mossadegh regime, economic aid from the United States is necessary.

In Asia, Korea and Formosa (Taiwan) provide large armies directly confronting Communist forces. Neither country has an adequate economic base. Pakistan lies close to the Soviet Union and has joined the Baghdad Pact. It is essential that the United States give full assistance to its effort to meet the Soviet threat. Cambodia, Laos, and Vietnam are trying to establish themselves as independent nations and to defend themselves against the continued danger from their Communist neighbors. The Philippines has to maintain a military force adequate to maintain internal security and at the same time perform the important assignment in the defense of the Pacific area which its strategic location dictates. The free world orientation of Thailand, its position in the South East Asia Treaty Organization (SEATO), and the effectiveness of its military organization combine to make it one of the most influential small nations in Asia.

*Latin America*

In recent years special economic aid for Latin American countries has been carried in title II as "development assistance." As explained



below, this year the committee transferred this authorization to "defense support." The sum of \$32 million is authorized for Latin America as compared to \$38 million appropriated for the comparable purpose last year. The assistance goes largely to Bolivia and Guatemala. This total represents an increase over the Executive request by an amount of \$5 million in order to make available that amount to Guatemala in addition to the sum recommended for Guatemala by the Executive. This action was taken in special recognition of, and to facilitate, encourage, and accelerate, the courageous and effective effort which the Government of Guatemala is making to overcome the damage to the nation's economy done by the previous Communist regime.

All of the nations of Latin America and the United States have joined together for their common defense in the Inter-American Treaty of Reciprocal Assistance and all but one have adhered to the resolution of 1954 entitled "Declaration of Solidarity for the Preservation of the Political Integrity of the American States Against the Intervention of International Communism." For this reason the committee recognized that defense support in this area should not be tied directly to military assistance programs as is the case in other parts of the world and incorporated language in the bill exempting the Latin American nations from the formal requirements of eligibility for defense support contained in sections 141 and 142 of the Mutual Security Act. Classification of such assistance as "defense support" constitutes clear recognition that such economic assistance is to enable the recipients in this area to sustain and develop stable governments and economies, and thus lend effectiveness to the resolution and declaration referred to. For this purpose, language has also been included to provide that funds for defense support in Latin America may be used to sustain or increase military effort, or to sustain and increase efforts related to internal defense, such as strengthening political and economic stability to meet the danger of subversion or unrest. This will make clear that these funds, although shifted from development assistance to defense support under the act, may be used for the purposes originally planned.

#### SECTION 4—DEVELOPMENT ASSISTANCE

##### *Authorization (sec. 201)*

The authorization for this title is \$243 million. The bill combines into a single program the existing program of "Development assistance" (title II), the President's fund for Asian economic development (sec. 418) and the special authorization for the Middle East and Africa, authorization for which was requested by the Executive. Assistance for economic development of their resources is available to countries carrying on military programs in the common defense under "Defense support" in title I, but the term "Development assistance" in recent years has emphasized large amounts for economic aid in addition to technical assistance in title III to nations which have not undertaken military programs in the common defense.

Latin American countries in the past have been included under development assistance although their commitments to the defense of the hemisphere against communism puts them in a different class. The committee has placed such Latin American assistance under "Defense support" in title I.



In this bill "Development assistance" is confined to friendly countries in Asia, the Middle East, and Africa. Neither Latin America nor Europe is included.

The committee believes that "Development assistance" contemplated for Asia, the Middle East, and Africa, which includes projects such as railway and road building, powerplants and irrigation systems, and the construction of industrial plants should be financed on a loan rather than a grant basis. Many nations can, at the same time, make greater use of their own capital for development purposes if they are relieved of the necessity of using their limited foreign exchange for financing the import of cotton, wheat, and other agricultural commodities each year.

To meet these conditions the bill authorizes "Development assistance" in the form of loans except when funds are used to finance sales of surplus agricultural commodities. Grant assistance can be given for regional projects which include two or more nations since it is difficult for such groups to borrow. Not more than 25 percent of the funds authorized may be used to assist any nation—including its proportionate share of regional assistance. This share of any regional project will be determined by taking into account such relevant factors as the nation's relative contribution to and benefit from such project.

In order that the United States may not offer "Development assistance" to nations which do not encourage the participation by private enterprise in their development, nations to be eligible must enter into written agreements satisfactory to the President and appropriate for the particular country to permit participation in accomplishing purposes of the act by private enterprise in conformance with the provisions of section 413 of the Mutual Security Act which relate to the encouragement of free enterprise, such as the guaranty of private investments.

*Use of funds to carry out functions under Public Law 480 (sec. 201 (d))*

The administration of the use of foreign currencies acquired by the United States as a result of sales of surplus agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), when such currencies are used to finance economic development or other mutual security type programs in foreign nations, has been assigned by Executive order to the International Cooperation Administration.

This subsection authorizes the use of title II funds to cover the expense of carrying out the functions of the ICA in connection with these programs. No appropriations are expressly authorized for the administration of Public Law 480 in any other act. This authorization does not include strictly administrative expenses incurred by the ICA in connection with Public Law 480, which are covered in section 6 (i) (2) of the bill. The expenses referred to in this section are those incurred in the performance of technical and advisory functions in connection with programs financed with Public Law 480 foreign currencies.

SECTION 5—TECHNICAL COOPERATION

This section authorizes appropriations for three technical assistance programs in which the United States participates: (1) bilateral technical assistance, \$140,500,000; (2) United Nations expanded technical assistance program, \$15,500,000; and (3) Organization of American States program, \$1,500,000.

*Bilateral technical cooperation (sec. 5 (a))*

Technical cooperation, \$140,500,000 (100 percent):

Near East and Africa (24 percent):

Egypt	\$3, 800, 000
Ethiopia	3, 000, 000
Greece	1, 000, 000
Iran	8, 000, 000
Iraq	2, 300, 000
Israel	2, 000, 000
Jordan	2, 700, 000
Lebanon	2, 100, 000
Liberia	1, 800, 000
Libya	2, 000, 000
Turkey	2, 000, 000
Overseas Territories	1, 200, 000
Regional and undistributed	2, 200, 000

Total	\$34, 100, 000
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Asia (45 percent):

South Asia:

Afghanistan	\$3, 000, 000
Ceylon	1, 000, 000
India	10, 000, 000
Nepal	1, 000, 000
Pakistan	9, 000, 000

Far East:

Cambodia	2, 500, 000
Indonesia	8, 000, 000
Japan	2, 850, 000
Korea	5, 500, 000
Laos	1, 500, 000
Philippines	5, 900, 000
Taiwan	3, 400, 000
Thailand	4, 600, 000
Vietnam	5, 000, 000

Total	63, 250, 000
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Latin America (23 percent):

Argentina	\$50, 000
Bolivia	3, 195, 000
Brazil	4, 739, 000
Chile	2, 521, 000
Colombia	1, 536, 000
Costa Rica	1, 026, 000
Cuba	690, 000
Dominican Republic	330, 000
Ecuador	1, 993, 000
El Salvador	1, 005, 000
Guatemala	1, 730, 000
Haiti	1, 152, 000
Honduras	1, 290, 000
Mexico	1, 185, 000
Nicaragua	919, 000
Panama	1, 195, 000
Paraguay	1, 684, 000
Peru	2, 996, 000
Uruguay	619, 000
Venezuela	225, 000
Overseas Territories	812, 000
Regional and undistributed	1, 458, 000

Total	32, 350, 000
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Interregional expenses (8 percent)	10, 800, 000
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The major emphasis of technical cooperation programs is in the fields of agriculture, health and sanitation, and education. For fiscal year 1957 these 3 fields of activity account for about 52 percent of United States assistance in bilateral technical cooperation. This is about the same proportion as has been devoted to these fields in the current fiscal year. The following table shows the major fields of activities as planned for the next fiscal year.

*Major fields of activity, fiscal year 1957*

[In thousands]

	Near East and Africa	Asia	Latin America
Agriculture and natural resources.....	\$8,359	\$12,801	\$10,668
Industry and mining.....	2,973	10,012	2,851
Transportation.....	2,647	2,829	1,935
Labor.....	796	1,405	1,032
Health and sanitation.....	3,869	6,122	6,389
Education.....	5,748	14,515	5,040
Public administration.....	2,330	5,559	1,973
Community development, social welfare, and housing.....	2,147	2,544	554
General.....	5,231	7,463	1,908
Total.....	34,100	63,250	32,350

*Near East and Africa*

Each of the technical assistance programs in this area is designed to furnish technical advice in fields affecting the economic growth of the country concerned. It assists in establishing basic institutions in health and education, in agriculture, industry, and public administration which are necessary to improve the social and economic conditions of these nations. Further, it provides a basis for economic development programs, to insure their full effectiveness and increased participation by the people in the planning and execution of development programs.

The technical cooperation program in Iran is reaching the second phase of its development—national integration. During the present fiscal year and continuing into fiscal year 1957 the main effort will be in assisting the Government of Iran to take over the actual operation of diversified and highly popular programs. The “survey period” has ended; the Government is acquiring trained personnel and is preparing to incorporate into the programs of its ministries the activities that have been demonstrated and proved advantageous for Iran during the past 4 years. Rural development and public administration are emerging as the “main lines” of the technical cooperation program. They have the support of the Government as opposed to open skepticism of many Government officials in earlier years. In view of the resumption of oil revenues, Iran can finance its own capital development. The United States has accordingly withdrawn from this area of activity. Increased attention is being given to the training of able technicians.

The program in Iraq conforms closely to the fundamental objectives of technical cooperation. In view of its adequate financial resources, United States activities are limited to technical training and participation in certain fields that will make the largest contribution to Iraq’s development. Specific technical cooperation objectives continue to be



assistance in land reclamation and water resources development in the Tigris and Euphrates Valleys; expansion of rural teacher training; assistance in the resettlement of landless peasants and improvement of health through a variety of simple and inexpensive but highly successful programs.

In the Arab States and in Israel, United States technical assistance has been directed primarily to achieving greater yields from the limited amount of arable land. Programs in irrigation and in soil conservation, plant breeding, and animal husbandry have contributed materially to the greater productivity of each of the countries. Demonstration projects and training programs have introduced to the area techniques and skills that have made it increasingly possible for these nations to take over the operation of a number of programs.

The United States technical assistance programs in Africa are helping to influence the evolution of the overseas dependencies of Europe in a direction that is favorable to the United States and the rest of the free world. Through direct assistance to overseas dependencies, which for fiscal year 1957 will be \$1,200,000, and by the demonstration of American techniques an opportunity is provided for economic and political development as an alternative to revolution, racialism, and other extremist action. Such assistance is also a means of assuring colonial peoples throughout the world of American interest in their welfare. The United States can make its most effective contribution to these dependent areas in the very place where the metropolises are weakest, for example, agricultural demonstration and extension and vocational education. Since these peoples are already beginning to look elsewhere than the metropole for help of this kind, there is an additional political interest in the United States meeting some of their legitimate aspirations.

### *Asia*

Internal resources, which are modest in some countries and vast in others, economic assistance from the United States and other sources, and earnest governmental intentions are not likely by themselves to bring about the economic, political, and social progress for which most Asian nations aspire. Such progress is dependent in large part on more efficient use of all resources, human and material, through a wide variety of modern technical methods. Asia's people are seriously deficient in these skills for a number of reasons, which range from their exclusion from responsible positions by former colonial powers to relative isolation from the influence of the other nations of the free world. As a result, productivity is low, new investment is discouraged, endemic diseases still pervade some areas, educational levels are inadequate, and government operations and the execution of the United States aid programs are slower and less efficient than is desirable.

For these reasons technical cooperation assistance is needed (1) to aid with economic development through training and demonstration in agricultural, health, educational, industrial, administrative, and other technical skills; and (2) to increase the skills required to make United States and other assistance more effective and its impact more durable.

The amount of \$63.25 million is requested for technical cooperation programs in 14 nations in Asia for the next fiscal year. Costs of United States technicians, participant training, and contract services



account for almost three-quarters of the total. The balance is largely for demonstration supplies and equipment. For the region as a whole, almost 60 percent of the funds recommended will be used to improve education, and agricultural and industrial productivity. During the past year increasing emphasis has been given to public administration, including police training in a number of countries.

Pakistan, Indonesia, and India will require almost 45 percent of the total funds recommended for the next fiscal year. More than half of the assistance for Pakistan will provide agricultural demonstration and training, and improve public health practices. The program in Indonesia will give major attention to agricultural extension and other techniques for increasing farm productivity, mining and engineering advisory services, and police training. In India assistance will be devoted primarily to increasing food production and industrial productivity, and to improving educational practices.

### *Latin America*

During the current fiscal year technical cooperation programs in Latin America amounted to \$28.4 million. For fiscal year 1957 a total of \$32.35 million is recommended for continuation of the programs. This sum includes \$50,000 for the implementation of an agreement with the Argentine Republic which involves training of participants in the President's atoms-for-peace program.

In the field of agriculture major attention has been directed toward diversification of one-crop economics, expanding agricultural output and agricultural worker productivity. Technical cooperation in vocational education, on-the-job training, industrial research, safety and industrial productivity has not only made an important contribution to increased technical competence but has provided the preconditions for attracting private investment. Through health and sanitation programs vast strides have been made in expanding and improving national public health services.

The method of operation in these and other fields is through the development and execution of programs jointly by the United States and the host country. The principal device for carrying out the programs is a joint service unit known as a *servicio* set up within the government of the host country. It is jointly administered and financed. According to evidence given to the committee, there are presently 56 *servicios* in operation. In addition, 19 such units have been terminated since the beginning of the *servicio* program in 1942. During fiscal year 1956 the financial contributions of the United States will be about \$5,700,000 and the cash contributions of the host governments will be about \$21,824,000 in addition to substantial contributions "in kind" from host governments. Since 1942 the *servicios* have originated 3,043 projects of which 1,853 had been completed or transferred to the host government and 1,190 remained active as of January 1, 1955.

### *Multilateral technical cooperation (sec. 5 (b))*

Paragraph (1) authorizes the appropriation of \$15,500,000 for United States contributions to the United Nations expanded program of technical assistance in fiscal year 1957. This program operates on a calendar year basis. Last year the Congress voted \$24 million to cover the United States contribution through December 1956. Of

that amount, \$8.5 million was pledged for the last half of calendar year 1955 and \$15.5 million has been pledged for calendar year 1956. The amount carried in this bill to cover calendar year 1957 is identical with that pledged for calendar year 1956. The Congress has stipulated that United States pledges for this program can be made only on the basis of funds appropriated. In order that the United States pledge may be made in October 1956 for calendar year 1957, the committee recommends this authorization. It should be noted that the United States pledge for 1956 was made subject to the provision that the United States contribution would not exceed 50 percent of all contributions from other governments. Total pledges from other governments for 1956 are estimated at about \$14.5 million, calling for a United States contribution of the same amount. It is proposed that the United States contribution for 1957 should again be subject to the same limitation.

United States leadership in the United Nations is strengthened by our continued strong support of this program. The substantial contributions made by this Government have been interpreted by other countries of the free world as evidence of our good faith in desiring to promote the economic development and well-being of underdeveloped countries. Indication of the appeal of the program is the Soviet "about-face" toward it. For several years the program was denounced as a tool of "United States imperialism." Since 1954 the Soviet has pledged 4 million rubles, equivalent to \$1 million. Similarly the satellites have made pledges. The committee was informed by the Hon. Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, that—

No payment would be made to Soviet bloc experts from the United States contribution to the United Nations technical assistance program (hearings, p. 483).

In the light of this participation, it is more important than ever that the United States continue its support.

Paragraph (2) of section 5 (b) authorizes \$1.5 million for contributions to the technical assistance programs of the Organization of American States for fiscal year 1957. This sum will be contributed for calendar year 1957. As during the present year, the United States contribution will not exceed 70 percent of total contributions. Programs carried out under this fund are entirely regional projects. They are limited to the establishment and support of regional training centers. OAS technical assistance funds provide an additional technical training staff for existing educational facilities and provide fellowships for trainees from all the countries of Latin America to attend the centers.

#### *Advances and grants, contracts (sec. 5 (c))*

This section clarifies the existing 3-year provision in section 307 by confirming that contracts covered by that section may be extended beyond their original terms so long as any contract as amended does not at any time extend more than 3 years ahead. For example, a project involving a contract with a United States land-grant college may not be completed within 3 years. In that case, the contract could be extended for a further period not to exceed 3 years and the unused balances thereunder used to complete the contract services in connection with the project.



## SECTION 6—OTHER PROGRAMS

*President's special fund (sec. 6 (a)) (MSA, sec. 401 (a))*

*Paragraph (1)* permits the President each fiscal year to make special use of up to \$150 million of funds appropriated under authority of other provisions of the Mutual Security Act. It does not add any money to the bill. The President may use this money in furtherance of the purposes of this act or any other act for which funds are authorized by this act without regard to the requirements of such acts when he determines that such use is important to the security of the United States. This amendment increases the authority to use other funds for special purposes by \$100 million, that is, from \$50 million to \$150 million. This restores the special sum to the amount it was prior to the current fiscal year. This authority is in addition to the \$100 million authorized to be appropriated under paragraph (b). The amended language raises the maximum that may be given to any 1 country under this section from \$20 million to \$30 million.

*Paragraph (2)* authorizes \$100 million to be made available to the President for fiscal year 1957 for his special fund. This amount is identical to that authorized and appropriated for the current fiscal year. This fund is used to take care of contingencies affecting the security of the United States that may arise during the year and which cannot be foreseen. To divert money from planned programs would cause a disruption of their implementation and hence be wasteful. The committee noted last year that this authorization was recommended by the Comptroller General on the basis of his study of the operations of the Foreign Operations Administration, the predecessor agency of ICA.

*Earmarking of funds (sec. 6 (b)) (MSA, sec. 402) (agricultural surpluses)*

This section amends section 402 of the act, which relates to earmarking of funds for financing the export and sale for foreign currencies of surplus agricultural commodities, by providing that not less than \$250 million of funds authorized to be made available under the act for fiscal year 1957 may be used only for such purpose.

The committee believes that the surplus products of the farms of the United States should be used in every way possible to carry out the mutual security program. The requirement for the use of such commodities was reduced to the level recommended by the Executive. Because economic assistance to the industrial nations of Europe has been almost completely eliminated, the opportunity to supply aid in the form of agricultural commodities has been greatly curtailed. The countries of Asia and Africa, although their standard of living is very low, are predominately agricultural and cannot absorb imported agricultural products in greatly increased amounts.

The committee was impressed by the fact that the International Cooperation Administration has exceeded the minimum imposed by Congress in section 402 during fiscal 1955 and has already done so in fiscal 1956. The committee has confidence that those responsible for administering the program will continue to regard the figure given only as a floor, and not as a ceiling.

*Restriction on use of United States aid that encourages agricultural production abroad.*—The committee gave special consideration during its hearings on the bill to the problem created as a result of the use of United States aid to encourage the production by other nations of agricultural commodities. The basic issue was developed by Hon. Armistead I. Selden, Jr., in his questioning of Hon. John B. Hollister, Director, International Cooperation Administration, as follows:

Mr. SELDEN. Mr. Chairman. Mr. Hollister, are we continuing under this new program to give technical assistance to any nations who have now expanded their agricultural crops beyond their own requirements?

Mr. HOLLISTER. That is a very big question. We are doing our best to see that the technical assistance and the development assistance we give does not directly affect the ability of countries to export the things that our country has in surplus, or decrease the amount of imports that those countries would have with respect to those agricultural commodities of which we have surpluses.

\* \* \* \* \*

But we are fully alive to the fact that we ought not to be spending directly to weaken or decrease the possibility of our distributing to the world market our agricultural surpluses. \* \* \*

Mr. SELDEN. I would like for just a moment to call your attention to the following paragraph on this particular subject that was included in the report of this committee's study mission to Europe:

"An aspect of United States policy which, in the judgment of the study mission, should be carefully reexamined and reconsidered is our policy of giving technical assistance and other aid to nations to help them continue to expand their production of agricultural crops beyond their own requirements. In Greece (a comparable situation exists in Turkey for wheat and certain other crops) the production of cotton for export is being assisted even though such cotton competes with United States cotton in the markets of the world. We cannot object to any nation producing and selling cotton or other goods on a competitive basis, provided we do not subsidize this production. The situation is entirely different, however, when we spend our own funds in a manner which aggravates one of our most difficult problems and adds to the financial burden of our taxpayers."

This is very important for those of us who live in agricultural regions where we have surplus agricultural commodities.

Mr. HOLLISTER. We are fully alive to that. I would like to give you a copy of the memorandum which has been sent out to all of our people on this subject, because it is something that we have been watching pretty closely.

I want to add that we have even tried to work the other way. In certain countries where their chief product is one of those commodities of which we have surpluses, we are attempting to divert some of the acreage into other agricultural crops which are needed for a more balanced diet. It is not easy, but we are trying that out.

The committee notes with approval the attention that is being given by the International Cooperation Administration to this matter and recommends that all future technical assistance or other aid be extended in such a manner as to avoid competitive conditions that are damaging either to our own country or to recipient countries.

*Joint control areas (sec. 6 (c)) (MSA, sec. 403 (b))*

This bill authorizes \$12,200,000 for joint control areas, compared to \$21,000,000 authorized and appropriated for that purpose for fiscal 1956.

The term "joint control areas" refers to areas where the United States has participated with other nations in joint control arrange-



ments resulting from World War II. Except for a few hundred thousand dollars, to finance the exchange of industrial technicians with Austria, all of this money goes to Berlin.

The President recently reaffirmed that the United States has an "abiding interest in the security and welfare of Berlin" and that we "regard any attack against Berlin from any quarter as an attack on ourselves."

Berlin cannot subsist without external assistance. West German aid has increased each year, and is now about \$300 million, or more than 95 percent of the total outside aid. United States aid, which has been decreasing in recent years, supplements the West German efforts and gives support to special phases of the city's economic recovery.

The productive capacity of Berlin was 85 percent destroyed by wartime damage and Russian looting. Communist restrictions which denied access to surrounding territory and Berlin's loss of its position as the national capital and a financial and commercial center created serious unemployment, particularly among white-collar workers. The Communist blockade of 1948-49 seriously retarded recovery from this postwar situation.

With the aid of the United States and the Federal Republic, startling progress has been made. However, much remains to be done.

(1) Unemployment has been cut from more than 300,000 to approximately 145,000 at the end of 1955, but this is still 14 percent of the labor force, a level that would be intolerable elsewhere in Western Europe.

(2) In spite of improvement in external trade, the gap between exports and imports still exceeds \$400 million annually.

(3) Industrial production, although it has improved from less than 25 percent of the prewar rate, reached the 1936 level in 1955, and must increase further to compensate for the loss of prewar income from other sources.

(4) Berlin must also handle the refugees from the Communist areas who continue to seek asylum in Berlin at a rate of more than 15,000 per month.

*Migrants, refugees and escapees (sec. 6 (d)) (MSA, sec. 405)*

*United Nations Refugee Fund (UNREF) (par. (1))*

This paragraph authorizes \$2.3 million as a United States contribution to UNREF for the 18-month period beginning January 1, 1956; \$1.5 million is to be used as a contribution for the 1956 calendar year program and \$800,000 toward the first half of the 1957 calendar year program. UNREF, like the other United Nations voluntary programs, operates on a calendar year basis. The amount authorized should enable the United States to make a definite pledge at the UNREF pledging conference in November 1956 to cover the first 6 months of the 1957 calendar year program, and thus facilitate advance program planning by the High Commissioner for Refugees.

UNREF came into being as a result of a General Assembly resolution of October 1954. The resolution approved a 4-year effort by the United Nations High Commissioner to find permanent solutions to the problems posed by some 300,000 unassimilated refugees, mostly in Austria, Germany, Italy, and Greece. Some 66,000 of these still live in camps, many of them under wretched conditions. A solution to their problem is a high priority of the High Commissioner's program.

A United Nations Refugee Fund was established to consist of voluntary contributions from governments and from private sources. A 20-member Executive Committee, on which the United States sits, was established to provide policy direction to the High Commissioner and to review and approve proposed programs. The 20 members of the Executive Committee are all governments which oppose the tyranny of communism. Neither the U. S. S. R. nor any other Communist country is on that Committee. They cannot be members because the established criterion for membership is a "demonstrated interest in and devotion to the solution of the refugee problem."

This is called a permanent solutions program because its major objective is to integrate refugees into the countries in which they now reside—to make them useful and productive members of society and to rekindle hope in their futures. It is a self-help program, and international funds are combined with local funds to provide the small assistance necessary to give a start to the refugee on the road to becoming a self-supporting and self-respecting human being. The program also provides for permanent institutional care for difficult cases.

Finally, it provides limited emergency assistance for certain refugees mostly in the Middle East and China, who without such aid, face the prospect of starvation, or death by disease.

During the 6 months ending December 31, 1955, when the UNREF program was in actual operation, a total amount of \$3,134,916 was allocated to benefit an estimated 23,409 refugees. Of this number, 16,100 were assisted by the various permanent solutions projects, 6,400 received emergency assistance, and 909 "difficult cases" were placed in institutions.

In addition to the \$2 million contributed by 20 other governments to the 1955 UNREF program, the people of Holland in a national campaign raised \$750,000 as a private contribution to the fund. These sums do not include contributions of other countries in providing for the permanent maintenance and care of difficult cases admitted to their territories.

Mr. Christopher H. Phillips, Deputy Assistant Secretary of State for International Organization Affairs, testified as follows on the value of the program:

Continued United States support for this international effort on behalf of these unassimilated refugees is important for political and humanitarian reasons. It is an effective way of helping to blunt the current Soviet redefection campaign which seeks to discourage future defections from behind the Iron Curtain and to persuade those who have defected to return home. This campaign is particularly aimed at the hard-core residual group to which the High Commissioner's program directs its major efforts (hearings, p. 509).



*Number and distribution of unassimilated refugees*

Country	Total number of refugees			Number of refugees in camps		
	As at Jan. 1, 1955	As at Jan 1, 1956 <sup>1</sup>	Change	As at Jan. 1, 1955	As at Jan. 1, 1956 <sup>1</sup>	Change
Austria.....	107,000	77,260	-29,740	50,000	34,500	-15,500
Belgium.....	11,000	8,300	-2,700	-----	-----	-----
France.....	40,000	37,000	-3,000	-----	-----	-----
Germany.....	97,000	78,800	-18,200	29,600	21,300	-8,300
Greece.....	7,800	5,700	-2,100	2,800	1,420	-1,380
Italy.....	19,000	14,100	-4,900	6,000	3,580	-2,420
Middle East <sup>2</sup> .....	3,200	2,800	-400	-----	-----	-----
China.....	14,000	13,300	-700	-----	-----	-----
Total.....	299,000	<sup>3</sup> 237,260	-61,740	88,400	<sup>3</sup> 60,800	-27,600

<sup>1</sup> Provisional estimates.

<sup>2</sup> Egypt, Iran, Jordan, Lebanon, Syria, and Turkey. Nansen refugees of Armenian and Assyrian origin are excluded.

<sup>3</sup> Not including new arrivals during 1955 estimated at 6,740 of whom an estimated 4,900 are in camps.

*United States escapee program (par. (2))*

This paragraph authorizes \$7 million for fiscal year 1957 for the United States escapee program. This program, formerly administered by the International Cooperation Administration, is now administered by the Department of State, effective April 1, 1956 (Executive Order 10663).

The purpose of the United States escapee program is to provide care and maintenance and resettlement assistance to recent anti-Communist escapees in Europe, and to selected escapees in the Far East and other areas on the periphery of the Iron and Bamboo Curtains. This assistance supplements the considerable programs of local governments of asylum and of international and voluntary organizations engaged in refugee service, and takes maximum advantage of receiving governments' immigration programs. The refugees assisted by the escapee program are not accorded assistance by the United Nations Refugee Fund which is principally engaged in the local integration of the earlier group of refugees. These humanitarian activities are consistent with the natural desire of the people of the United States to help, and retain the friendship of, the captive populations within the Soviet orbit.

The program has a caseload at the present time of 29,000 persons. It has been concerned with 83,000 persons since its inception 4 years ago. Of that number, just short of 30,000 people, through the intensive and specialized effort of the program, have been resettled, or successfully locally integrated. Another 23,000 have been removed from the initial registration which placed them on the caseload, either because, for one or another reason, they proved unqualified or ineligible, or proved not to be in need of assistance, or for other reasons.

Mr. Laurence A. Dawson, Chief, Escapee Program Division, of the Department of State, in his testimony stressed the importance of the program to United States interests in these words:

Success in this effort promotes important interests of the United States Government in relation to escapees and their significance, and especially in demonstrating once again, and in a very effective way, the concern of the free world and of the United States particularly, for the captive populations of whom these escapees are a part—the minor fraction who have succeeded in escaping.

During the past year, the Soviets have greatly intensified their campaign to discredit the escapees and refugees. In so doing they have sought to bring about



the return of as many as possible. Soviet objectives have been consistent over the years in this field. They have sought to preclude escape in the first instance; secondly, to secure the repatriation of those who have escaped, and finally, to preclude assistance to those whose repatriation they cannot secure. Their emphasis in this past year has been on that third phase, discrediting and precluding assistance to those large numbers—the large majority who are out and who will not return.

In short, their objective is to win the voluntary support of the 900 million people now captive in the Soviet orbit. There can be no question but that they attach major importance to this refugee question in direct relation to that major objective (hearings, p. 526).

*United Nations Children's Fund (UNICEF) (sec. 6 (e)) (MSA, sec. 406 (b))*

This subsection authorizes a United States contribution to UNICEF for calendar year 1957 of \$10 million.

This marks the 10th anniversary of the fund. Originally established as an emergency operation to help meet the terrible conditions of hunger and want among children in Europe following World War II, UNICEF has devoted practically its entire resources in recent years to assisting the less advanced countries in Asia, Africa, and Latin America in the development of permanent child health and welfare services and in the control and eradication of debilitating diseases.

The United States played a leading role in the establishment of UNICEF and has given generous assistance to the fund since its inception. From 1946 through 1955 this Government contributed a total of \$114,531,000. In addition, in accordance with last year's authorization and appropriation for an 18-month period, the United States has pledged another \$9,700,000 for 1956. Other governments have increased their contributions to the program by 122 percent between 1952 and 1955. As a result, the United States has been able to reduce the percentage of its contribution from a maximum of 72 percent in 1952 and prior years, to 57.5 percent in 1956, while at the same time total funds available to the program have increased. An additional reduction in the United States percentage to 55 percent is proposed for 1957.

Of significance are the amounts which the governments receiving aid are committing to projects in local currencies and in such other form as local personnel, services, transportation, and locally available supplies, equipment, and facilities. Of the total funds that go into UNICEF-aided programs, about one-third are provided from the central account. Local contributions comprise the remaining two-thirds. In 1955, for example, the recipient governments committed \$25.7 million in local contributions. Since governments other than the United States also contributed more than \$6 million to the central account, the resultant proportion of the United States contribution to total government contributions to UNICEF from all sources is 22 percent.

The principal areas of activity receiving UNICEF assistance are—

1. Basic maternal and child-health and welfare services, including the establishment of rural health centers and clinics and the training of nurses and midwives.

2. Mass health campaigns against such crippling and killing diseases as malaria, yaws, tuberculosis, trachoma, and leprosy.

3. Activities to improve nutrition including long-range child-feeding programs and the increased production and use of milk.

4. A limited amount of UNICEF's resources each year is used to provide emergency assistance for the victims of catastrophes such as earthquakes, floods, droughts, and famines, where the welfare of the child population is seriously affected. Such aid is primarily in the form of food and clothing. In 1955 emergency assistance constituted only 6 percent of the total program, which is the smallest proportion since UNICEF was established.

*United Nations Children's Fund—Summary of beneficiaries in 1955*

Number of programs aided by UNICEF in 1955.....	264
Number of countries and territories assisted.....	92
<hr/>	
Number of beneficiaries:	
BCG antituberculosis vaccination (children vaccinated).....	16, 531, 000
Antimalaria campaigns (children and mothers protected).....	6, 107, 000
Yaws control (children and mothers treated).....	1, 660, 000
Trachoma control (children treated).....	1, 131, 000
Feeding through school lunches and maternal and child-welfare centers (peak number of children receiving daily ration).....	3, 000, 000
Emergency feeding (peak number of children receiving daily ration).....	2, 700, 000
	<hr/>
	<sup>1</sup> 31, 129, 000

<sup>1</sup> Not included in the above are the many children and mothers who receive benefits (other than milk) from the over 10,000 maternal and child-welfare centers, clinics, and children's and maternity hospitals aided by UNICEF. There are still more beneficiaries from UNICEF assistance to vaccine production plants, leprosy control, communicable disease control, and milk-drying and pasteurization plants.

Last fall, Hon. Frances P. Bolton, ranking minority member of the Subcommittee on the Near East and Africa of the committee, conducted a 3-month study mission to Africa, which included the operations of UNICEF in that area. In commenting on the value of UNICEF, Mrs. Bolton stated during her questioning of Dr. Martha Eliot, United States representative on the UNICEF Executive Board, on the program:

I would just like to say that one of the sunny places in Africa is the work of the Children's Fund. When you see the children of Africa and see all they are subjected to by way of disease, and feel that certain diseases are going to be eradicated and will no longer exist in that country, and that they will come into a different aspect of living, it is quite beyond me to express what I think about the work you are doing. I am sure that much is happening in every other country in the world where you are. I happen to have seen it at close range there (hearings, p. 522).

*Palestine refugees in the Near East (sec. 6 (f)) (MSA, sec. 407 (b))*

The United Nations Relief and Works Agency (UNRWA) has experienced difficulties in obtaining agreements necessary to proceed with the major resettlement programs for the refugees. No contribution is now scheduled by the United States toward UNRWA's resettlement program from the funds appropriated for fiscal year 1956. It is expected that \$45.3 million will be unobligated. The amendment in this subsection makes clear that this unobligated balance, which is authorized to be continued available in fiscal year 1957, may be used for the purposes indicated in this subsection.

*Ocean freight charges (sec. 6 (g)) (MSA, sec. 409))*

(1) *Relief packages.*—An appropriation of \$1.4 million is authorized to continue the ocean freight support on shipments of relief and rehabilitation supplies by approved American nonprofit voluntary agencies engaged in relief activities abroad. Approved agencies are the American Red Cross and those registered with the Advisory



Committee on Voluntary Foreign Aid. These private agencies draw their principal support from voluntary donations of the American people both in cash and in kind.

Supplies valued at \$28 million will have been shipped and distributed this fiscal year at a cost to the Government of \$2 million. In terms of the value of the goods furnished and delivered, the cash outlay on the Government's side is multiplied 14 times. These goods include specifically food, clothing, medical and hospital supplies, school supplies, hand tools for trades and agriculture, and other self-help supplies. Much of these goods are donated in kind without any cash contribution to cover delivery costs. Without ocean freight support, the program could not go forward.

In each case, before expending funds appropriated for this purpose, a formal agreement is entered into between the United States Government and the receiving government, which guarantees on the part of the latter duty-free entry of goods and the payment of inland transportation costs from port of entry to the ultimate point of distribution. The American agencies for their part bear the cost of solicitation, processing, warehousing, packaging for export, and transportation to United States ports, plus the salaries and other administrative costs in maintaining field representatives in the countries of reception to supervise distribution. Under regulations which have been established for the program, all goods are adequately marked to identify their United States origin. These markings bear the United States emblem and the wording "Gift of the American people—Ocean freight paid by the U. S. Government." Additionally, each agency must maintain in the recipient countries United States citizen representatives to supervise distribution and to insure that the supplies reach the persons for whom they are intended.

(2) *Agricultural surplus.*—This paragraph authorizes \$14 million to pay the ocean freight on United States surplus agricultural commodities supplied to foreign nations under titles II and III of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), which authorized assistance to friendly peoples in meeting famine or other relief requirements and the distribution of surplus agricultural commodities by voluntary agencies.

The committee was advised that the voluntary agencies estimated that a sum of \$30 million would be necessary to pay the cost of ocean freight on the agricultural surplus commodities they planned to ship during fiscal 1957. The committee was informed that section 208 of the Agricultural Act of 1956, which has been approved by the Congress, authorizes the use of Commodity Credit Corporation funds for this purpose and consequently considered that an increase in this authorization was unnecessary.

Of the \$14 million requested \$2 million is planned to finance title II ocean freight costs for fiscal year 1957. It may be necessary to supplement this amount by transfer of \$4 million of funds appropriated for other programs. This tentative estimate of \$4 million, together with the \$2 million requested for fiscal year 1957, will cover less than half of the total estimated title II freight cost of \$13.4 million. This is a reduction of \$500,000 from the amount of freight costs financed from mutual security funds in fiscal year 1956 and is based on the expectation that the recipient governments and to some extent the voluntary agencies will continue to finance a larger share of the ocean freight.



The other \$12 million of the \$14 million requested is planned to cover ocean freight costs on that part of the program which is handled by the United States voluntary agencies under title III. This represents a reduction of \$500,000 against the amount actually programed for such movements during fiscal year 1956. This reduction is accounted for partially, at least, by the fact that several receiving countries have agreed to take over the ocean freight costs on these surplus commodities in fiscal year 1957. (Title III ocean freight financing by recipient countries and voluntary agencies, or either, is expected to increase from \$3.5 million in fiscal year 1956 to \$7.2 million in fiscal year 1957.) On the other hand, the savings resulting thereby have been largely offset by the substantially increased potential for surplus shipments in fiscal year 1957 resulting from the availability for the first time under title III of wheat, rice, corn, and beans. The \$12 million which is being requested would move approximately 735 million pounds of all the available surplus foods. The \$7.2 million which it is estimated will be available from other than United States Government sources will move roughly 440 million pounds, making a total of 1,175 million pounds as the projected movement under title III. This compares with 903 million total pounds in fiscal year 1956 and roughly 560 million pounds in fiscal year 1955.

*Control Act expenses (sec. 6 (h)) (MSA, sec. 410)*

This subsection authorizes \$1,175,000 to meet the expenses of administering the Mutual Defense Assistance Control Act of 1951 (Battle Act). This is the same amount as was authorized and appropriated for fiscal 1956. The Director of the International Cooperation Administration is responsible for the administration of the Battle Act program for controlling exports of strategic materials to the countries behind the Iron Curtain by countries which receive United States aid. The tendency on the part of other nations to relax restrictions on trade with the Soviet bloc, in addition to the relaxations to which the United States has already agreed, makes it necessary for the United States to continue its expenditures at the same level as in previous years for international negotiation and the analysis of the strategic significance of individual items.

*Administrative and other expenses (sec. 6 (i)) (MSA, sec. 411)*

Paragraph (1) authorizes \$35,250,000 for administrative expenses of all parts of the mutual security program except military assistance and direct forces support. ICA expects to spend about \$34,250,000 for these expenses this year. Thus, the authorization recommended in this paragraph represents an increase of about \$1 million for fiscal year 1957.. While European operations will again be reduced next year, the savings effected in that area will be offset by the expansion of missions and operations in the Near East and Africa and the Far East.

The number of program technicians and foreign participants is one measure of administrative workloads borne by ICA. From fiscal year 1955 to 1957, the number of technicians is expected to increase by 45 percent and the number of foreign participants is expected to increase by 47 percent. During this same period the total number of administrative American and local positions is expected to increase by only 6 percent.

Paragraph (2) section 411 (c) specifies that not to exceed \$1.5 million of funds made available under title II may be transferred in fiscal year

1957 for use for necessary administrative expenses of carrying out functions under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.) which are assigned to an agency or officer responsible for nonmilitary assistance under the act (see definitions in sec. 10 (b) (2)). This new language will provide funds to cover administrative expenses incurred by the International Cooperation Administration in carrying out its functions with respect to foreign currencies derived from sales of surplus agricultural commodities under Public Law 480. At present no appropriations are expressly authorized for this purpose, and with the increasing scope and importance of Public Law 480 functions, it is now essential to provide a source of appropriated funds to cover their costs.

*Paragraph (2) section 411 (d)* authorizes the Department of State to put in its annual appropriation bill amounts necessary for salaries and expenses incurred for normal functions of the Department which relate to functions under the mutual security program. At present such salaries and expenses are included in appropriations for administrative expenses for the nonmilitary part of the mutual security program (sec. 411 (b)). For example, the Department of State has a Legal Adviser's Office. A small part of its total workload is devoted to legal matters, including problems relating to international agreements, concerning the mutual security program. Instead of prorating the hours devoted to this program (which is only a small part of its regular activities) and making financial adjustments between two Government agencies for these limited services, it will be possible for the Department to include these costs in its annual appropriation bills.

*Encouragement of private enterprise (sec. 6 (j)) (MSA, sec. 413 (b) (2))*

This section makes more precise the mandate contained in section 413 (b) (2) of existing legislation, which requires the President to—  
accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to nations participating in programs under this act.

It is the committee's view that the purpose behind that section can be more readily accomplished if the treaties negotiated contain, in addition to provisions encouraging and facilitating the flow of American private capital to such nations, a provision on its equitable treatment in those countries.

*Investment guaranties (sec. 6 (k)) (MSA, sec. 413 (b) (4))*

*Broadened coverage.*—This section amends existing provisions relating to the investment guaranty program in the following particulars:

(a) It extends from June 30, 1957, to June 30, 1967, the time in which the President is authorized to issue investment guaranties.

(b) It makes clear by express statutory direction that the investment guaranty program shall be retained by ICA. In conformity with this action, the committee also in section 9 (a) of the bill specifically excluded from the power of the President to delegate his authority under the Mutual Security Act the power to delegate the investment guaranty program to any agency other than the ICA. The committee was much concerned lest the program, which now appeared to be over its trial-and-error period, should be transferred from the ICA to the Export-Import Bank. As stated by Hon. Walter H. Judd during the hearings on this measure:

I think this operation ought to be in the ICA because it isn't primarily a banking operation; it is primarily a matter of helping these countries get a maximum of



industrialization and economic improvement through the use of private capital and private management, and it ought to be tied in with other parts of programs to those ends in which we are giving grant or loan aid. I think it ought to be all under one roof (hearings, p. 691).

After hearing the testimony of representatives of the executive branch on this specific question, the committee was convinced that the retention of the program in the ICA (rather than its transfer to the Export-Import Bank) would best fulfill the objectives and purposes of the mutual security program. This is in keeping with other provisions written by the committee into the bill, broadening substantially the role and importance of private enterprise and private participation in the mutual security program.

It is understood that under this language, the Director of the International Cooperation Administration may continue the practice of using the Export-Import Bank for the servicing of guaranty contracts.

(c) It raises from \$200 million to \$500 million the total face value of guaranties which can be issued, and it excludes from this figure all informational media guaranties which have been or will be issued. The issuing authority is presently reduced by the amount of informational media guaranties issued. An indication of the increased private investor interest in the program, recently manifested, can be gaged from the applications for investment guaranties now being processed by the International Cooperation Administration. These total \$293,514,822 and cover industrial enterprises from 24 States of our Nation. In addition, basic agreements with cooperating countries have been rising markedly until they now include 30 countries. The committee notes with approval that 9 are in the Latin American area. Whether this stimulation is attributable to the increased efforts expended by the present investment guaranties staff of the International Cooperation Administration, or to increased private investor interest, the committee intends that, in increasing the guaranty authority, the investment guaranty shall be used wherever possible as a substitute for loans and grants in this program. As was stated by the President of the United States:

Through increasing two-way international trade and stimulating in every practical way the flow of private investment abroad we can strengthen the free world, including ourselves, in natural and healthy ways. By so doing, we can lessen and ultimately eliminate the heavy burden of foreign aid which we now bear. Both we and our friends abroad earnestly desire to see regular trade and investment replace grant assistance (H. Doc. 138, 83d Cong., 1st sess., p. 2).

(d) Under present legislation, the issuing authority is reduced by the face amount of every guaranty written. However, when guaranties are canceled, reduced, or expire, without having been called upon, the issuing authority is correspondingly restored or increased. Issuing authority is not restored or increased under circumstances where payment is made under a guaranty, and foreign currency or property acquired by virtue of such payments is subsequently sold for dollars. (Up to July 1, 1955, \$10.5 million was realized from the sale of foreign currencies acquired through the operation of the informational media guaranty program.) This bill provides that where the local currency or other assets received as a result of payments under guaranty contracts are converted into dollars, the issuing authority shall be restored or increased to the extent such dollars become available. The bill also provides that payment under the guaranties may be made from dollars obtained through such liquidation of local currency. Inasmuch as no payments have been made to date, pursuant to investment



guaranties, this provision will have no immediate effect upon the administration of the investment guaranty program.

(e) The informational media guaranty program is removed completely from the investment guaranty program. In this separation, the Director of USIA would be authorized to assume the obligation of \$28 million of the notes authorized by section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended. \$10.5 million realized from the sale of foreign currencies, discussed in (d) above, in addition to being a charge against issuing authority, has been charged against borrowing authority. Hence, \$161.5 million of borrowing authority would remain to back the issuance of investment guaranties, plus fees collected on investment guaranties. As of July 1, 1956, however, it is estimated that \$100 million worth of investment guaranties will have been issued, and, as discussed in (g) below, these guaranties require full backing. Thus, on July 1, 1956, it is estimated that \$63 million will be available in borrowing authority and fees. The committee has decided to increase this backing by authorizing the Director of the International Cooperation Administration to issue up to \$37.5 million of additional notes. This will make a total of \$100.5 million available on July 1, 1956, for backing of guaranties.

(f) By thus providing for an issuing authority which exceeds in amount the sources from which payments pursuant to guaranties may be made, the legislation institutes the so-called fractional reserve. Accordingly, it is provided that guaranties shall be considered as obligations of the United States, for fiscal purposes, only to the extent of their probable ultimate net cost to the United States. In this connection, the Director of the International Cooperation Administration is authorized to determine the ultimate net cost with respect to individual guaranties and types of guaranties at different rates.

(g) The legislation specifically provides that all investment guaranties issued prior to July 1, 1956, must be fully backed by sources for payment. Thus the fractional reserve does not apply to those guaranties.

(h) The program is broadened so as to cover losses caused by war, revolution, and insurrection. The House has three times approved such a provision, and the committee is strongly of the view, concurred in by many private and governmental studies and by the President himself, that such a provision would substantially increase American private investment abroad.

*Estimated fiscal position of program on July 1, 1956.*—Under this bill the investment guaranty program will be in the following position on July 1, 1956, using estimates of operation for the remainder of the fiscal year:

	<i>Millions</i>
Issuing authority for investment guaranties.....	\$500
Less:	
Investment guaranties issued and outstanding on Apr. 1, 1956.....	<sup>1</sup> 85
Estimated investment guaranties to be issued between Apr. 1 and July 1, 1956.....	15
	100
Estimated issuing authority as of July 1, 1956.....	400

<sup>1</sup> This is the net figure obtained after deducting cancellations, deductions, and expirations. A total of \$106.5 million in guaranties was written up to Apr. 1, 1956.

Sources for payments to be made under investment guaranties under this bill are as follows:

	<i>Millions</i>
Notes authorized by sec. 111 (c) (2) of the ECA Act of 1948-----	\$200. 0
Notes authorized by this bill-----	37. 5
<b>Total</b> -----	<b>237. 5</b>
Less:	
Notes to be assumed by Director of USIA-----	28
Funds expended in administration of informational media guaranty program-----	10. 5
Total investment guaranties estimated to be issued by July 1, 1956, which must have full backing-----	100
	<b>138. 5</b>
	<b>99. 0</b>
Plus fees estimated to be collected on investment guaranties up to July 1, 1956-----	1. 5
<b>Total sources available July 1, 1956, to make payment on investment guaranties</b> -----	<b>100. 5</b>

Thus, on July 1, 1956, the President will have authority to issue up to \$400 million in investment guaranties, and he will have on that date a total of \$100.5 million from which to make payments. This amounts to a fractional reserve of 25.2 percent on July 1, 1956. If the total of investment guaranties issued during the remainder of fiscal year 1956 is less than the estimated \$15 million, noted above, then the fractional reserve will be correspondingly increased. As the administration of the program proceeds, however, the fractional reserve may be varied the following ways:

(1) Through increased receipt of fees paid in under guaranty contracts.

(2) As guaranties issued before July 1, 1956, are canceled, reduced, or expire, the funds allocated to those guaranties will be released. The old guaranties must be fully backed by funds for payment, whereas the new guaranties are subject to the fractional reserve. Thus, the reserve ratio, which only applies to the new guaranties, will be varied as funds are released from backing old guaranties and are allocated to new ones.

(3) The reserve ratio will also vary when payments are made on any of the new guaranties which are subject to the fractional reserve. However, reductions in the ratio resulting from such payments will be restored to the extent that foreign currency or property acquired by virtue of such payments is sold for dollars.

*Reasons for "fractional reserve" procedure.*—In the 8 years since the investment guaranty program was originally authorized, no payments whatsoever have been made pursuant to investment guaranty contracts. The informational media guaranty program has been the sole cause to date for such depletion as has taken place in the guaranty funds. As against this record, about \$1.5 million has been received in fees on investment guaranty contracts since the inception of the program.

While this record might make it appear that the program is self-supporting, ICA believes that the program is more in the nature of insurance against catastrophe. Thus, it is felt that in the event of

any worldwide foreign exchange crisis, many claims might be made under guaranty contracts in a comparatively brief period. It is believed that the reserve which will be available under the program is adequate to back the investment guaranties. The principle of fractional reserve also has the backing of the National Advisory Council on International Monetary and Financial Problems. The following points seem persuasive:

(1) To date, it has not been necessary to make payment on any investment guaranty.

(2) Guaranties may presently be issued to cover investments in 30 countries throughout the world. It is expected that the number of countries with bilateral guaranty agreements with the United States will increase. It is extremely unlikely that guaranties in all of these countries will be called upon at the same time.

(3) Payments made pursuant to guaranty contracts are not total losses. It is expected that local currencies acquired pursuant to convertibility contracts will subsequently be sold for dollars, and, under the new legislation, these dollars may be used for further payments under guaranty contracts. Of the \$21.8 million paid out under informational media guaranty contracts as of March 31, 1956, about \$12.3 million has been recovered through their sale for dollars. It is also expected that the United States would eventually realize dollars from the claims acquired from the investor under expropriation guaranties.

(4) Many investors have obtained both convertibility and expropriation guaranties to protect the same investment. It is unlikely that the convertibility and expropriation guaranties would both be called into play to their total face amount. Under ICA accounting procedure, both guaranties are charged to the guaranty authority.

(5) Fractional reserve is an accepted insurance practice. Casualty insurance companies only maintain as a reserve a fraction of the amount of the total liability contracted under their insurance contracts. The same reasoning applies in the case of investment guaranties.

*Importance of program.*—The committee has consistently attached considerable importance to the operations of the investment guaranty program. It has been part of the foreign aid effort of the United States since the enactment of the Economic Cooperation Act of 1948 and is now an integral and well-established part of the Mutual Security legislation.

The investment guaranty program has received steady and continuous consideration by the Congress, particularly the House Foreign Affairs Committee, and the provisions with respect to that program have been substantially broadened in philosophy, scope and coverage by the Congress following the committee's recommendations. The importance which the committee has attached to the investment guaranty program was clearly restated and reemphasized in its report last year on the Mutual Security Act of 1955:

The committee has in the past emphasized the importance which it attaches to the private enterprise provisions of the mutual security legislation. It repeats that emphasis here. An essential role of private enterprise in mutual security is the investment guaranty program, which is a worldwide program and not restricted



to those countries receiving assistance under this act. Section 413 (b) (4) (G) of the mutual security law contains the following mandate:

"The guaranty program authorized by this paragraph shall be used to the maximum practicable extent and shall be administered under broad criteria so as to facilitate and increase the participation of private enterprise in achieving any of the purposes of this act."

\* \* \* \* \*

The committee expects this program to be administered effectively and with the principle firmly in mind that private enterprise is an important and permanent arm of, and under, the mutual security program. (H. Rept. 912, 84th Cong., 1st sess., pp. 42-43.)

In his message to the Congress on further developing the foreign economic policy of the United States, the President on January 10, 1955, stated:

The whole free world needs capital; America is its largest source. In that light, the flow of capital abroad from our country must be stimulated and in such a manner that it results in investment largely by individuals or private enterprises rather than by Government.

An increased flow of United States private investment funds abroad, especially to the underdeveloped areas, could contribute much to the expansion of two-way international trade. The underdeveloped countries would thus be enabled more easily to acquire the capital equipment so badly needed by them to achieve sound economic growth and higher living standards. This would do much to offset the false but alluring promises of the Communists (H. Doc. 63, 84th Cong., 1st sess., p. 4).

More recently the President reiterated the importance which he attaches to the flow of American private capital abroad and the encouragement of such private investment through the guaranty program. In his message to the Congress on the proposed mutual security program for fiscal year 1957, the President on March 19, 1956, stated:

We must continue to stimulate expansion of trade and investment in the free world. We must continue helping to build the productive capacities of free nations through public loans and guaranties of private investment (H. Doc. 358, 84th Cong., 2d sess., p. 2).

The relationship of the investment guaranty program to the entire mutual security program was summed up in the following interchange during the hearings:

Mr. VORYS. Mr. Chairman, this guaranty program has been merely fraction-  
alizing the general insurance that we hope to provide through the whole foreign  
aid program.

We have bet \$55 billion that if we try to help these countries, there isn't  
going to be a war and that we will end up with a peaceful world where people  
pay their debts.

If we can get paid 1 percent, or something like that, for applying that general  
guaranty to a particular project, we are not increasing our general risk at all.  
That has always been my theory.

Chairman RICHARDS. You might extend that further with this argument, if  
you can spend a billion in a country in the face of possibly war and revolution,  
why couldn't you spend some of it for a program like this which would guarantee  
investments against that risk? (hearings, p. 694).

The broadened provisions of the investment guaranty program should permit the International Cooperation Administration sufficient latitude to achieve the potentials generated by 8 years of continuous congressional and executive branch activity. The committee urges and expects the executive branch to give the program full support and effort, including the negotiation of guaranty agreements with additional countries.

Countries with which the United States has agreed to institute the investment guaranty program

Country	Date of agreement		Country	Date of agreement	
	Convertibility	Expropriation		Convertibility	Expropriation
Austria.....	Mar. 23, 1949	Feb. 16, 1952.	Israel.....	Aug. 8, 1952	Aug. 8, 1952.
Belgium.....	May 7, 1952	May 7, 1952.	Italy.....	June 17, 1949	Dec. 28, 1951.
Bolivia.....	Sept. 23, 1955	Sept. 23, 1955.	Japan.....	Mar. 4, 1954	Mar. 4, 1954.
China (Formosa).....	June 25, 1952	June 25, 1952.	Netherlands.....	Mar. 3, 1949	Oct. 7, 1952.
Colombia.....	Nov. 18, 1955	None.	Norway.....	Oct. 29, 1948	Apr. 1, 1952.
Costa Rica.....	Feb. 25, 1955	Feb. 25, 1955.	Pakistan.....	May 26, 1955	May 26, 1955.
Denmark.....	Aug. 13, 1952	Aug. 13, 1952.	Paraguay.....	Nov. 15, 1955	Nov. 15, 1955.
Ecuador.....	Mar. 29, 1955	Mar. 29, 1955.	Peru.....	Mar. 16, 1955	None.
France.....	Mar. 3, 1949	July 22, 1952.	Philippines.....	Feb. 19, 1952	Feb. 19, 1952.
Germany.....	July 29, 1950	Apr. 23, 1951.	Portugal.....	May 25, 1953	May 25, 1953.
Greece.....	Apr. 19, 1949	Apr. 21, 1952.	Spain.....	Sept. 26, 1953	Sept. 26, 1953.
Guatemala.....	Mar. 23, 1955	Mar. 23, 1955.	Thailand.....	Aug. 27, 1954	Aug. 27, 1954.
Haiti.....	Apr. 15, 1953	Apr. 15, 1953.	Turkey.....	Nov. 15, 1951	None.
Honduras.....	June 10, 1955	June 10, 1955.	United Kingdom.....	Oct. —, 1948	Do.
Ireland.....	Oct. 5, 1955	Oct. 5, 1955.	Yugoslavia.....	Aug. 15, 1952	Aug. 15, 1952.

Guaranty applications in process by State of residence of applicant (as of May 1, 1956)

Arizona.....	\$175, 000	Minnesota.....	\$3, 415, 146
California.....	35, 583, 784	New Jersey.....	381, 750
Connecticut.....	2, 115, 000	New York.....	97, 813, 212
District of Columbia.....	11, 400, 000	Ohio.....	9, 142, 400
Delaware.....	2, 221, 500	Oregon.....	494, 000
Idaho.....	6, 000, 000	Pennsylvania.....	4, 691, 500
Indiana.....	14, 934, 000	Rhode Island.....	1, 000, 000
Illinois.....	13, 591, 500	South Carolina.....	300, 000
Louisiana.....	4, 000, 000	Tennessee.....	200, 000
Maine.....	980, 000	Texas.....	20, 270, 000
Maryland.....	1, 388, 100	Washington.....	3, 729, 430
Massachusetts.....	26, 377, 500		
Michigan.....	33, 311, 000	Total.....	293, 514, 822

Prepared by Investment Guaranties Staff, ICA.

Assistance to international organizations (sec. 6 (1)) (MSA, sec. 415)

This section amends section 415, which now authorizes assistance to NATO, so as to permit the furnishing of assistance also to the Organization for European Economic Cooperation (OEEC) in addition to NATO.

This authority is requested in order to continue in substantially the same magnitude but in different form United States support of the European Productivity Agency (an agency of OEEC). Past United States support which has come directly from section 131 funds on a project-by-project basis has been instrumental in the creation and successful growth of a joint program by the European countries to raise their productivity and thus their general contribution to free-world strength. Centralization of these efforts through the European Productivity Agency (EPA) encourages European economic integration, and gives concrete substance to the United States desire, recently reaffirmed by the President and the Secretary of State, for the fullest practicable cooperation with our European allies.

In recognition of the EPA's growing maturity and competence, the executive branch is proposing to change the form of United States support in order to (a) strengthen EPA's position as coordinator of European productivity efforts, (b) shift increasingly the administrative burden and cost of ICA-supported productivity activities from ICA to the EPA, and (c) encourage increased direct contacts between the EPA and private United States groups. In the past ICA has



financed directly the dollar costs of providing United States technicians to Europe or of visits of teams of Europeans to the United States. Approximately \$1,430,000 will be provided in 1956 for regional projects. For 1957 it is proposed that a lump-sum grant of \$1,500,000 be made directly to the EPA to continue joint United States and European efforts in these areas. Providing United States assistance in this form will make it possible to give EPA additional responsibility for administration of the program, although the United States would continue to review and approve EPA activities supported with United States moneys. The funds are included in the section 131 authorization request.

ICA recently indicated to the OEEC that any future request for funds from the United States Congress would depend on a specific reaffirmation by member countries of their desire to continue the EPA program, and on pledges by member countries of new financial support to the Agency. This affirmation has been provided. OEEC member countries have developed a program for the Agency through 1960, which includes contributions of the equivalent in other currencies of approximately \$1.75 million annually from member countries. This represents a quadrupling in the level of annual country contributions. In addition, countries will continue to pay the direct costs of their participation in EPA projects and to support their own national productivity budgets. ICA anticipates final OEEC action on this proposal for future financing of the Agency before the end of fiscal year 1956.

*President's fund for Asian economic development (sec. 6 (m))*

In order to combine various aid authorizations into a single authorization for development assistance, it is necessary to repeal the authorization in section 418 for the President's fund for Asian economic development. Of the \$200 million authorized last year \$100 million was appropriated. The use of any unexpended balance of this \$100 million in accordance with the original authorization is permitted under section 201.

*Section 6 (n)*

*Section 420. Food and Agriculture Organization.*—This section increases the ceiling on United States annual contributions to the Food and Agriculture Organization (FAO) from \$2 million to \$3 million.

The FAO was established during World War II as the result of United States initiative. The United States has been a member since 1945. Seventy-two nations participate in FAO. None of the Soviet bloc countries is a member.

\* The increased ceiling is necessary in order for the United States to meet its anticipated assessment in the Organization. While the present United States assessment is 31.5 percent, the percentage of the United States contribution will be 33⅓ percent in 1958 and subsequent years, which will mean a United States assessment in excess of the present statutory ceiling. The budget of the FAO has been expanding slowly over the past years as its work and operating costs have increased. The increase in the United States contribution ceiling from \$2 million to \$3 million will permit an orderly expansion of FAO activities in the future.

Recently, the Subcommittee on International Organizations and Movements, under the chairmanship of Hon. A. S. J. Carnahan, held hearings on the accomplishments of FAO and the effectiveness of



United States participation in that organization. On the basis of the subcommittee review, the committee feels that the increase in the ceiling is amply justified.

#### SECTION 7—STATEMENT OF POLICY

This section was included in the bill by the committee to replace language proposed by the Executive which would have authorized the President to enter into 10-year commitments for long-term economic development projects. Under the language proposed by the Executive, funds up to a maximum of \$100 million of new money in any year could be utilized to meet commitments previously entered into under this authority. This would have meant that any nonmilitary funds appropriated by the Congress in future years might have been drawn upon, up to this limit, for this purpose.

In the judgment of the committee, this would have unduly infringed the authority of future Congresses. By substituting the language contained in the bill, the committee believes that necessary assurance can be given to other nations and at the same time permit the Congress to act each year in accordance with its evaluation of the current situation without being charged by other governments with bad faith.

This is a period when the free nations of the world are tempted to relax and to hope that the Soviet smiles are genuine. The eyes of all nations are turned toward the United States to see how we are reacting. It is important under these circumstances that the United States make clear its attitude toward the Soviet Union and to assure nations, which need assistance in their efforts to maintain their freedom and independence, of our continued backing.

The statement of policy in this bill puts the Congress on record as recognizing that the Soviet Union will constitute a threat to world peace and to the security of the United States as long as it seeks, by any means, to bring free people under its domination and denies the rights of freedom and self-government to nations once free but now under Soviet subjugation. The attitude of the Soviet Union toward freedom is what constitutes the danger, not the tactics which it chooses to employ at any given moment. Shifts from mobilization of military forces to economic pressure or to internal subversion do not obscure the threat to the United States or modify our basic opposition.

The statement of policy also gives to other nations assurance from the Congress that United States assistance is and will be available to them in the future in their efforts to maintain their freedom and independence. United States aid will be available only on request since we are not trying to buy cooperation. Neither do we feel justified in using our resources to help any nation which would accept our aid without any thought of an obligation to use its increased strength resolutely to defend its own freedom and independence.

The United States believes that the most effective way for free nations to meet the Soviet threat is for them to unite for the common defense, and the United States must inevitably give priority to the needs of nations which have joined together for this purpose. Nevertheless, United States assistance is available also to nations determined to maintain their freedom even though they are not willing to commit themselves to the common cause.

The security of the free world requires, however, that the United States should not expend its resources in building up a potential Soviet satellite. At all times the progress and the policies of all recipients of our help must be reappraised so that our assistance can be withdrawn whenever we are convinced that a course is being followed which may lead, perhaps unwittingly, to the loss of the freedom which can be the only justification of United States support.

The statement of policy makes clear, however, that the resources of the United States are limited and that its obligations are great. Our assistance must be limited to what we can afford after giving full consideration to our own strength and stability. Our assistance to any nation must take into account its need in relation to the needs of others and its ability to make effective use of the help to be provided.

In approving this statement of policy the Congress is giving its assessment of the nature of the Soviet threat and is assuring other free nations of the continued support of the United States for the duration of the danger. No commitment as to the amount or nature of future assistance is involved. Under our Constitution these matters must be determined from year to year by the Congress after full consideration of the requirements of our foreign policy and of our internal problems.

#### SECTION 8—GENERAL PROVISIONS

##### *Transferability of funds (sec. 8 (a)) (MSA, sec. 501)*

The next to the last sentence of section 501 of the Mutual Security Act is modified to conform to the new language of section 201, which authorizes development assistance. It provides that funds transferred for development assistance from other authorizations must be used to provide assistance on either a loan basis or to supply surplus agricultural commodities, except that grant aid may be supplied to regional organizations.

The deletion of the last sentence of section 501 corrects an error in transcription in the enrolled bill which, upon enactment, became the Mutual Security Act of 1954. This last sentence was included through clerical error in the final print of the act notwithstanding the fact that it was not in the bill reported by the conference committee and passed by Congress.

##### *Availability of funds (sec. 8 (b)) (MSA, sec. 507)*

Section 8 (b) amends section 507, which relates to availability of funds, so as to make clear that the funds which are excepted from the general requirement of annual authorization and appropriation set forth in this section include not only those funds made available under the sections in the original 1954 act, which contained special provisions on authorization and availability of funds, but also funds made available under other sections containing such special provisions (such as sec. 418) which have been added by amendments to the act since 1954 or which may hereafter be enacted.

This amendment in no way exempts any funds from annual authorization and appropriation. Such exemption occurs only if included in the specific authorizing provision.

##### *Shipping on United States vessels (sec. 8 (c)) (MSA, sec. 509)*

This section is intended to facilitate the sale of surplus agricultural commodities under Public Law 480 as well as the effective use of foreign currencies derived from such sales for purposes limited to



mutual security. It exempts commodities purchased in a foreign country with foreign currencies derived from Public Law 480 sales for shipment to another foreign country from the requirement of section 901 (b) of Public Law 664 that 50 percent of any such shipments by sea must be in United States vessels.

Section 901 (b) of the Merchant Marine Act of 1936 (Public Law 664) as amended includes the following:

Whenever the United States shall procure, contract for, or otherwise obtain for its own account, or shall furnish to or for the account of any foreign nation without provision for reimbursement, any equipment, materials, or commodities, within or without the United States, or shall advance funds or credits or guarantee the convertibility of foreign currencies in connection with the furnishing of such equipment, materials, or commodities, the appropriate agency or agencies shall take such steps as may be necessary and practicable to assure that at least 50 per centum of the gross tonnage of such equipment, materials, or commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers), which may be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels, in such manner as will insure a fair and reasonable participation of United States-flag commercial vessels in such cargoes by geographic areas: *Provided*, That the provisions of this subsection may be waived whenever \* \* \* the President of the United States or the Secretary of Defense declares that an emergency exists justifying a temporary waiver of the provisions of section 901 (b) and so notifies the appropriate agency or agencies: \* \* \*.

A similar exemption for shipments under section 402 of the Mutual Security Act is already in effect. This exemption does not affect the cargo available to United States vessels since shipments of this kind would ordinarily not be made if the 50-50 shipping provision was imposed.

#### SECTION 9—ORGANIZATION AND ADMINISTRATION

##### *Delegation of power by the President (sec. 9 (a)) (MSA, sec. 521)*

In this section the committee confirmed its action in section 6 (k) (1), specifically retaining the investment guaranty program in the International Cooperation Administration, by providing that there shall be excluded from the power of the President to delegate his authority under the Mutual Security Act any power to delegate the investment guaranty program to any other agency.

##### *Allocation and reimbursement among agencies (sec. 9 (b)) (MSA, sec. 522)*

This section permits certain improvements in bookkeeping in the mutual security program. The committee has been informed that this change has been approved by the General Accounting Office, the General Services Administration, and the Bureau of the Budget.

The language in paragraph (1) will confirm the authority for the procedure currently being followed in handling funds to cover administrative expenses of the General Services Administration (GSA) in performing procurement services in connection with the foreign aid program. Under this procedure, payments made to GSA for administrative surcharges on foreign aid procurement are consolidated in a separate no-year account which may be drawn upon to cover administrative expenses of GSA in connection with such procurement. This eliminates serious bookkeeping difficulties which would arise if GSA administrative expenses, such as salaries of personnel, had to be distributed voucher by voucher among the numerous individual appropriation accounts maintained in the foreign aid program.



With respect to paragraph (2), under the present system, for example, when a participating United States Government agency provides the International Cooperation Administration with technical consultation and support for programs in a particular field in all four major regions of the world, each voucher for payment of costs of these services must be divided up among the various appropriation accounts used to finance these programs in the various regions. For example, services connected with programs in Germany or Austria might be charged to the appropriation for joint control areas; those for programs in the rest of Europe to defense support, Europe; and those for programs in other regions to the technical cooperation appropriation. The proposed system would permit each voucher for these services to be charged initially in full against the appropriation account principally concerned—e. g., technical cooperation—and then, as of the end of each fiscal year, there would be a pro rata reimbursement from each of the other appropriations to the technical cooperation appropriation account to cover their proportional share of the costs of the participating agency services during that fiscal year.

It is hoped that this authority will help unravel the complicated bookkeeping mechanism of the past.

*Experts and consultants or organizations thereof (sec. 9 (c) ) (MSA, sec. 530)*

The services of an individual employed as an expert or consultant are limited to 1 year. This is on the theory that if such services are needed for a longer period, the position should come under civil service. In the case of an organization, such as an engineering firm, ICA has been advised by the General Accounting Office that the 1-year limitation also applies. At present there are no such contracts. In anticipation that ICA will find it desirable to enter into such contracts, this new language is requested.

The type of contract contemplated under the proposed language is one that would provide ICA with advisory services on more than one project in more than one country. For example, an engineering firm may be called upon to check the specifications of a fertilizer plant in country X, a road system in country Y, and an irrigation project in country Z. Different professional individuals within the same firm or organization at different times may be needed to render technical advice. Another type of contract envisioned is that in the accounting field where the judgment of fiscal experts is necessary. In any case the services are rendered to ICA rather than to another country.

*Exemption of personnel from certain Federal laws (sec. 9 (d)) (MSA, sec. 532)*

The purpose of this amendment is to permit a retired military officer to draw his retirement pay while serving as a consultant for a period in excess of 1 year.

The Department of Defense desires to retain a few unusually qualified retired officers particularly in the field of research and development. At present one of them is assigned as the principal United States adviser to the SHAPE Air Defense Technical Center. The Department wants to employ two others in the mutual weapons development program. Individuals possessing the qualifications to hold these positions are able to command considerably higher salaries

in private industry. To meet that competition the amendment would allow such retired officers to draw both their retired pay and their consultant fees beyond the 1-year period allowed under existing law.

*Cooperation with nations and international organizations (sec. 9 (e))*  
(MSA, sec. 535)

This section amends subsection (b) of section 535 to clarify the authority of the United States to furnish nonmilitary supplies, materials, and services at the request of nations (as well as international organizations, as at present) on an advance of funds or reimbursement basis. Such advances, and reimbursements which are received within 180 days after the close of the fiscal year in which supplies, materials, or services are delivered, may be credited to the current applicable appropriation or fund of the agency which financed the transaction.

According to the ICA, there is an increasing need to be able to extend assistance on a dollar advance or repayment basis with ability to credit the appropriation originally charged with the repayment. There are a number of European and Latin American countries eager to bear all costs of the projects and it has been felt that, for the reasons which follow, ICA would perform a valuable function if it could handle these projects along with its regular programs:

(a) Countries recently or about to be emancipated from an "aid" status often still need stimulation to pursue projects many of which were begun during the period of aid. United States Government administrative help and direction not only affords such stimulation but permits a continuing voice in the direction these efforts should take.

(b) United States Government administrative help increases American industrial cooperation and willingness to open doors. Foreign governments indicate that United States Government know-how in arrangements and procurement are extremely useful.

(c) Some countries in great need of help are unwilling to accept it on other than a reimbursable basis.

There is no general authority to credit reimbursements into an appropriation account or to establish dollar trust accounts set up through dollar advances to pay the salaries of United States employed technicians. The Congress has, however, accepted a similar idea in other contexts. Similar authority exists for sales of military equipment, materials, and services under section 106 and in sections 529 and 535 with respect to the furnishing of personnel and advances of funds to international organizations. There is authority to accept and use local currency payments under section 505.

Although the furnishing of material, equipment, and services on a reimbursable basis to foreign governments could be accomplished under present law, this would necessitate repayments going to miscellaneous receipts, and appropriations would then have to be adequate to cover such activity. Moreover, the present appropriation and the fiscal 1957 request carry funds only for countries in need of financial help. To carry on a reimbursable program with these funds, therefore, would be possible only at the expense of other programed activities.

The proposed amendment to section 535 (b) broadens the existing language to include individual countries as well as international organizations but limits the former to nonmilitary goods or services. In



another aspect the existing authority is narrowed by placing a 6-month limit on the time in which accounts can be reimbursed after the end of the fiscal year. The present section 535 (b) contains no time limitation.

*Section 9 (f)*

*Section 537. Provisions on uses of funds. General authorization.*—The language provides specific authorization for certain types of expenditures which are important in carrying out the purposes of the Mutual Security Act and which might otherwise be barred by general statutes or Comptroller General rulings. It authorizes use of funds in fiscal year 1957 and thereafter (except as may subsequently be otherwise provided by law) for the same purposes now authorized for fiscal year 1956 in the general language and the second proviso of section 102 of the Mutual Security Appropriation Act, 1956. The language makes clear that the use of funds for these purposes is subject each fiscal year to the limitations specified in section 102 on amounts for such purposes, or that may subsequently be otherwise specified by law. It further authorizes use of funds for purposes of section 2 of Public Law 495, 83d Congress, which will permit payment of expenses of the care and disposition of remains of persons, and members of their families, who may die while away from their homes participating in activities covered by this provision, where circumstances do not permit return of the remains of such persons to their homes for burial. It also authorizes an allotment, as authorized in section 902 of the Foreign Service Act of 1956, as amended, for defraying unusual expenses incident to maintaining a residence for the chief of a mission appointed pursuant to section 526 of the Mutual Security Act. And it authorizes purchase of passenger motor vehicles, but specifies that passenger motor vehicles for administrative purposes may be purchased only as provided in section 102 of the Mutual Security Appropriation Act, 1956, or by other law. By making clear that the restriction on purchase of passenger motor vehicles applies to such vehicles purchased by ICA for its use for administrative purposes, and not those so purchased for program purposes, this language will remove a technical question which has arisen regarding the agency's practice on vehicle purchases.

*Health and accident insurance for foreign trainees.*—This subsection authorizes the payment from applicable appropriations of health and accident insurance premiums for foreign participants while they are away from their homes engaging in any exchange-of-persons program or a program of furnishing technical information and assistance. It does not include military personnel participating in military assistance training programs.

Until 1954 ICA paid insurance premiums under a provision in the annual appropriation acts. Since that date, ICA has provided coverage for foreign participants by carrying a group policy in which it serves as an agent rather than as the principal. ICA deducts the premium payments from the per diem paid the participants. In the case of any change in terms of the policy including premium payments, ICA must secure the approval of each participant.

This amendment will permit ICA to pay the insurance premiums itself instead of running a costly administrative checkoff operation.



Further, any change in the terms of the policy can be effected by ICA without requiring the consent of each participant. It is planned that the insurance coverage will provide a maximum of \$750 for each illness or accident for a period not to exceed 26 weeks. The estimated cost will be \$80,000 to \$90,000 a year. It will not include dependents.

While foreign participants receiving training in a third country are not insured and it is not planned to cover them, the language is sufficiently broad to provide insurance for them should the agency so determine.

#### SECTION 10—REPEAL AND MISCELLANEOUS PROVISIONS

##### *Amendments to other laws (sec. 10 (a)) (MSA, sec. 544)*

*Section 544. (c) Redelelegation of authority.*—The first new subsection amends section 4 of the act of May 26, 1949 (5 U. S. C. 151c), which is the general authority of the Secretary of State to promulgate rules and regulations and delegate functions. The proposed amendment would confirm the Secretary's authority to permit such subordinates, when he so specifies, successively to redelegate any of such functions (including that of issuing rules and regulations).

Such redelegations are particularly important in the operations of the International Cooperation Administration where it is necessary for the Director to delegate to subordinates functions such as signing contracts, signing program agreements, signing procurement authorizations, various personnel actions, and appointments of certifying officers.

These functions were formerly delegated by the Director of the Foreign Operations Administration to his subordinates pursuant to section 521 (a) of the Mutual Security Act of 1954, as amended, when that Administration was the "agency" designated by the President for the administration of nonmilitary mutual security programs. By virtue of Executive Order No. 10160 of May 9, 1955, the Department of State was designated as the "agency" for the purposes of section 521 (a), through which the President exercises the relevant power and authority conferred on him by the Mutual Security Act of 1954. While the Secretary of State, who is "the head of such agency" for the purposes of section 521 (a), has delegated the functions in question to the Director of the International Cooperation Administration, it is regarded as desirable to confirm the Secretary's authority specifically to authorize redelegations by the Director to his subordinates who are responsible to him for the actual execution of the ICA operations.

*Section 544. (d) Amendment to Surplus Property Act.*—This amendment to the Surplus Property Act of 1944 increases the availability of foreign currencies for use in research and educational activities under the Fulbright program.

All foreign currencies expended for the Fulbright program must be purchased from the United States Treasury with dollars appropriated by the Congress. The dollars so appropriated, however, are restricted in use to the amount of local currencies which is available in the Treasury. If the Treasury does not have foreign currency of a particular foreign country, the dollars appropriated for the Fulbright program cannot be used.

This provision makes more foreign currency available in the Treasury for purchase for Fulbright use by permitting the Treasury to sell

currencies received in repayment of loans made under the mutual security program.

This amendment does not diminish control by the Congress over the magnitude of the Fulbright program. Such control is exercised through the dollar appropriation voted each year. This provision merely makes it possible to use the dollars appropriated in countries where it would otherwise be impossible.

*Section 544. (e) Amendment to section 933 of the Foreign Service Act of 1946.*—Section 933 of the Foreign Service Act of 1946 provides for home leave within the continental United States for overseas employees. Employees whose legal residence is in a United States Territory or possession receive payment for authorized home leave only between their overseas posts and the point in the continental United States nearest to their residence. This amendment will permit payment of home leave travel to a legal residence in a United States Territory or possession.

*Section 544. (f) Amendment of Internal Revenue Code concerning per diem of certain aliens.*—Pursuant to a ruling by the Commissioner of Internal Revenue, a 30-percent withholding tax is applied to the per diem paid some trainees brought to the United States under the mutual security program. The trainees covered by this ruling are those who are privately employed under an agreement or obligation to perform services for an employer or to return to his previous employment on completion of his training in the United States. It is estimated that about 800 out of more than 4,000 trainees will be covered by this ruling in the present fiscal year.

The proposed amendment to section 1441 (c) of the Internal Revenue Code of 1954 (26 U. S. C. 1441c) does not change the ultimate tax liability of any trainee. It simply removes any requirement of advance withholding from his per diem payments. The maximum per diem payable is \$12. Thus a trainee would have \$3.60 withheld. Most of the trainees, upon their departure from the United States, are able to show deductible expenses that would permit them to receive a full refund of the amount withheld from their per diem. The effect of the withholding tax is to deprive the trainees of 30 percent of their per diem when they need it without any tax receipts accruing to the United States Government.

The committee was advised that this amendment has been approved by the Treasury Department.

*Section 544. (g) Amendment to United States Information and Educational Exchange Act of 1948—Informational media guaranties.*—This new subsection (g) to be added to section 544 amends section 1011 of the United States Information and Educational Exchange Act (22 U. S. C. 1442), which empowers the Director of the United States Information Agency to issue informational media guaranties in accordance with the provisions of section 413 (b) of the Mutual Security Act of 1954. This basic contract authority was provided to the Director in 1954.

The new provisions added to section 1011 provide new means for financing the informational media guaranty program. Heretofore informational media guaranties (IMG contracts) have been issued under an annual allocation made out of the \$200 million guaranty authority provided for in section 413 (b) (4) of the Mutual Security Act of 1954. In place of annual allocations it is proposed that the



Director of USIA take over \$28 million of the \$200 million of notes originally authorized for the issuance of guaranties and use these notes as the basis for financing the IMG program. Under the proposed provisions the general contracting authority provided by section 1011 is thus separated entirely from the overall guaranty ceiling and the Director is authorized to finance IMG guaranty payments out of a special revolving fund to be set up with the proceeds of the sale to the Treasury of the notes executed originally by the ECA Administrator and now assumed by the Director.

(1) *Proposed changes.*—The section on informational media guaranties does several things:

a. It permits a revolving fund to be set up to finance the IMG program. The revolving fund would be set up with the public debt funds the IMG program is already authorized to draw upon. The net amount that will be available for the IMG program after the end of the current fiscal year will be approximately \$17 million plus any dollar proceeds accruing from the sales of foreign currencies now on hand.

b. It makes clear that the authority to issue informational media guaranties, which was conferred on the Director of the United States Information Agency by the Congress in 1954 (sec. 544 (a) of the Mutual Security Act) is continuing authority and not subject to the termination date applicable to the investment guaranty program. The general guaranty authority is now scheduled to terminate on June 30, 1957. Another section of the pending bill (sec. 6 (k) (2)) extends this to June 30, 1967.

c. It separates the IMG program completely from the investment guaranty program administered by ICA. At present the IMG program draws on the same guaranty authority as the investment guaranty program, and it utilizes the same fees and borrowing authority. As a consequence the accounts of the two programs are intermingled. This situation would be ended.

d. Several technical provisions are made. Fees received from the issuance of investment guaranties have been used to make payments under IMG contracts. The legislation would allow "repayment" of these fees to ICA from the funds authorized for the IMG program. USIA is authorized to charge a minimum fee for the issuance of any IMG contract or amendment, no matter how small. At present only 1 percent of the face amount of the contract or amendment can be charged. Authority is given to make advance payments under IMG contracts.

(2) *Financing of informational media guaranty program.*—No appropriations are involved. At present, and as proposed, public debt funds would be used.

At present the IMG program is financed in common with the investment guaranty program. The present system has two main features: Separate guaranty authority, which is a special form of obligational authority, is provided with an upper limit of \$200 million and the two programs are authorized to borrow up to \$200 million from public debt funds of the Treasury to meet the needs of the program. A minor additional complication is that fees received from the issuance of guaranties are required to be used before any funds



are borrowed from the Treasury, and in practice this has meant that payments have been made under IMG contracts out of fees received from industrial as well as informational media guaranties.

Under these provisions, IMG financing would be separated entirely from financing of the ICA investment guaranty program. The Director of USIA would be authorized to borrow amounts from the Treasury directly, and to use the amounts borrowed to set up a fund out of which to make payments on IMG contracts. The total of IMG contracts outstanding at any time would be limited to the amount in the fund plus amounts available from the Treasury. When local currencies received under the IMG contracts are reconverted into dollars, these dollars would go back into the fund. It is this feature that makes the fund a revolving fund.

The proposed legislation would, as previously noted, apportion to the Director of USIA \$28 million of the \$200 million borrowing authority originally made available for guaranties by the ECA Act of 1948. Against this amount are to be charged any sums borrowed from the Treasury for the IMG program, and any fees received from industrial guaranties but used for IMG payments, up to the end of this fiscal year. By the end of this fiscal year it is estimated that \$9.5 million will have been borrowed from the Treasury and \$1.5 million of ICA fees will have been used. (As of the end of March 1956, a total of \$7.6 million had been borrowed for the IMG program and \$1.47 million of ICA fees had been used for IMG purposes.) Deducting these amounts from the \$28 million borrowing authority leaves a total of about \$17 million available for the IMG program after the end of this fiscal year. To this should be added the dollar value of any local currencies now in hand. Considering the present rate of issuance of IMG contracts and the possibility of reconverting some local currencies into dollars, this amount should meet program needs for about 2 years.

(3) *The nature and scope of an informational media guaranty.*—This type of guaranty is basically different from the insurance-type investment guaranty issued by the International Cooperation Administration, which has been discussed under investment guaranties, above. The usual IMG contract is more nearly a straight agreement for converting foreign currency into dollars. In the IMG program the normal expectancy is to pay out dollars to the full amount of the guaranties issued, except for cancellations or lapses. Experience shows that about 60 percent of the face amount of guaranties issued are paid.

The guaranties provide a market for informational materials from the United States in areas where otherwise the shortage of dollar exchange would prevent United States publishers and exporters from selling. In this way, the extensive resources of the United States publishing industry and other exporters of informational materials are brought to the aid of the overseas information program. Large quantities of books, newspapers, magazines, films and the like which tell the story of America and the principles and values for which it stands are commercially disseminated in areas where otherwise information about the United States might not be available, or available only at direct cost to the Government. The informational media guaranty program is thus an important supplement to the overseas information program. Furthermore, it satisfies the congressional mandate in sec-

tion 1005 of the International Information and Educational Exchange Act, which requires the Director of the United States Information Agency to utilize private channels of trade wherever possible (22 U. S. C. 1437).

(4) *Types of media eligible for guaranty coverage.*—Informational media eligible for coverage under IMG contracts include books, newspapers, magazines, motion pictures, recordings, news services, publication rights, maps and globes, and any other generally used means of conveying information. Equipment such as motion picture or slide projectors, phonographs, etc., is not generally considered eligible for coverage.

The law directs that informational media covered under IMG must be "consistent with the national interests of the United States." Explaining the intent of this provision, the Committee stated in its report on the first amendments to the Economic Cooperation Act of 1948 that, "It is the intention that the Administrator should exercise his judgment to insure that media assisted under this provision shall reflect the best elements in American life and shall not be such as to bring discredit upon this Nation in the eyes of other nations" (H. Rept. 323, 81st Cong., 1st sess., p. 22).

Accordingly, the United States Information Agency must review all materials proposed for export under IMG contracts, and each IMG contract specifies what materials are covered by that contract. Furthermore, at the time the exporter files his application with the Agency for the transfer of local currency into dollars, he submits invoices showing in detail the materials sold. Dollar conversion is not allowed for receipts from the sale of any materials not eligible under the terms of the contract.

Books, periodicals, motion pictures, or other informational materials produced or manufactured in countries other than the United States generally are not eligible for export under IMG. Exceptions are made only where the export of such a work is in the national interest of the United States. Publications in languages other than English are eligible only if (1) they are published by an American publisher, and (2) they make a positive contribution to the overseas information program.

*Definitions (sec. 10 (b)) (MSA, sec. 545)*

(1) *Definition of value.*—This provision amends the definition of value in the Mutual Security Act to permit the establishment of a more equitable and realistic pricing formula for reimbursements from mutual security funds for equipment and materials supplied by the Defense Department for delivery under the mutual security program.

Under existing law the Defense Department may charge the "mutual security" appropriation for nonexcess materials and equipment supplied by it from the mobilization reserve for delivery under the mutual security program in accordance with any of the following standards of value:

1. The actual or projected cost of acquiring for the mobilization reserve an equal or equivalent quantity of such materials or equipment; or
2. The actual or projected cost of an equivalent quantity of equipment or materials of the same general type but more desirable for the mobilization reserve than the items turned over to the military aid program; or



3. Either the actual gross cost to the United States of the equipment or materials or the replacement cost at the direction of the Secretary of Defense in cases where the items are not to be fully replaced.

The new language leaves these old pricing methods in effect but provides that a new pricing system shall be developed by the Secretary of Defense as soon as practicable which will more accurately reflect the actual condition and market value of items transferred to the military aid program. The word "condition" is intended to take into account age as well as physical condition, and the term "market value" would not preclude allowances in some cases for such factors as obsolescence and replacement cost. This should result in more equitable pricing, although the full effect of the change is not likely to be reflected for some months in view of the time required to put the change into operation.

(2) *Further definitions.*—Subsections (j) and (k) are included for reasons of the technicalities of draftsmanship. They define terms which are introduced this year for the first time in the mutual security legislation.

*Unexpended balances (sec. 10 (c)) (MSA, sec. 548)*

This subsection amends section 548 to authorize the continued availability for the same general purposes of unexpended balances of funds made available under the authority of the act, and permits consolidation of such balances with appropriations made available beginning in fiscal year 1956 and thereafter for the same general purposes. The proviso presently in section 548 setting a \$200 million ceiling on the carryover of unexpended balances not obligated by June 30, 1955, or reserved under section 110 of the Mutual Security Appropriation Act, 1955, which applied to last year's authorizations, is deleted.

*Availability of funds (sec. 10 (d))*

*Section 550. Special provision on availability of funds.*—This section adds a new section 550 to the act which authorizes 15-month availability rather than the normal 12-month availability for an amount equal to 25 percent of the funds authorized to be appropriated for the purposes of defense support, technical cooperation and joint control areas in such fiscal year.

This extension was authorized because the committee believes that in certain instances the funds authorized will be more prudently used if a longer time is available for planning programs and for negotiation of detailed projects with foreign governments after the appropriation is actually available.

SECTION 11—FOREIGN RESEARCH REACTOR PROJECTS

*Authorization (sec. 11 (a))*

The atoms-for-peace program is included in three different parts of the mutual security program. The Asian nuclear center is financed from funds appropriated for section 418, the President's fund for Asian economic development. The training of individuals in various aspects of the peaceful uses of atomic energy is financed from funds for the technical cooperation program or, in the case of Europe, the technical exchange program.



The third element is included in this section. This section had its origin in President Eisenhower's plan of atoms for peace and progress, first announced to the General Assembly of the United Nations in December 1953, and amplified by the President in his address at Pennsylvania State University in June 1955. It was the intention of the United States, the President stated, to assist free nations in acquiring research reactors for the development of atomic energy for peaceful purposes.

The President continued:

We propose to offer research reactors to the people of free nations who can use them effectively for the acquisition of the skills and understanding essential to peaceful atomic progress. The United States, in the spirit of partnership that moves us, will contribute half the cost. We will also furnish the acquiring nation the needed nuclear material to fuel the reactor \* \* \*. If the technical and material resources of a single nation should not appear adequate to make effective use of a research reactor, we would support a voluntary grouping of the resources of several nations within a single region to acquire and operate it together.

The principal witness for this program was Hon. Harold S. Vance, Commissioner, Atomic Energy Commission. Mr. Vance explained that this broad plan had been cleared with the Joint Committee on Atomic Energy as a project authorized by the Atomic Energy Act of 1954. It was originally planned to include a \$5 million authorization in the Atomic Energy Commission Plant Authorization Act of 1956. Subsequently it was decided to include the item in the mutual security program.

The Atomic Energy Act of 1954, as amended, sets forth the basic safeguards under which this program will operate. No reactor can be sent abroad until an agreement has been concluded with a foreign nation. Under the terms of that act the text of each proposed agreement must—

- (1) Be submitted to the President together with the recommendations of the Atomic Energy Commission;
- (2) Include details as to the conditions, duration, and scope of cooperation;
- (3) Include guaranties for the maintenance of security safeguards by the foreign government;
- (4) Include guaranties by the foreign government that any material transferred will not be used for atomic weapons or research thereon;
- (5) Be approved by the President;
- (6) Lie before the Joint Committee on Atomic Energy for at least 30 days while Congress is in session.

Each agreement specifically states that classified data will not be communicated to the foreign government.

The central element of a reactor is a uranium core. In the case of the foreign reactor program a low-grade concentration of 20 percent is used. This is a nonweapons grade. The agreements provide that the amount transferred to a foreign government is limited to 6 kilograms (13 pounds). Further, it is leased, not given, to the foreign government.

Indicative of the concern for the security element in this program is the following exchange between Hon. James P. Richards, Chairman,

and Mr. John Hall, Director of International Affairs, Atomic Energy Commission:

Chairman RICHARDS. Will there be any possibility of any one of these recipient countries using the project for other than peaceful purposes?

Mr. HALL. This is a very important question and a very good question. It is for that reason that we have written into the bilateral agreements that the other countries must accept and receive our people to make sure that this is not being done.

The point that Dr. Manov made, the crucial point here is the fuel element. These elements must be returned to the United States. We have attempted by the agreement and by implementing procedures to make sure that these fuel elements are accounted for at all times. In point of fact, the 6 kilograms in itself is a very small quantity of material.

I might add that the 6 kilograms contain 20 percent assay material, which means that it is not weapon grade material in any event. But to be doubly sure that this material is not diverted for military uses, we feel that we should follow it through by procedures of accounting and have insisted that the material must be returned to the United States for processing.

Chairman RICHARDS. What supervision will the United States be able to have to see that it is not diverted?

Mr. HALL. In the bilateral agreements the countries have agreed to allow our technical people at any time to inspect the facilities (hearings, p. 444).

This section is a separate section of the Mutual Security Act of 1956 rather than an amendment to the Mutual Security Act of 1954, as amended. Thus the agreements required as a condition of assistance in section 142 of the Mutual Security Act of 1954 are not required as a condition of assistance under section 11. Similarly, section 402 (earmarking of funds), section 501 (transferability of funds), and section 533 (waiver of certain Federal laws) are not applicable under this section.

The Battle Act is applicable so long as the program is financed from the moneys made available under section 11. Should any part of it be financed under section 401, it is possible for the President to waive the provisions of the Battle Act.

Nuclear physicists in every country are laboriously pioneering in the peaceful uses of atomic energy. The United States, for its part, will make available some of the basic equipment, technical knowledge and training. The committee was advised that the nuclear reactors involved in this program are—

extremely important tools in nuclear research of all kinds. They correspond to an automobile engine in a class in automobile engineering (hearings, p. 438).

This is a program in which no one can spell out or assure specific accomplishments. The only certainty is the acquisition of an enlarged body of knowledge. The bilateral agreements under which this program will be carried out provide for the exchange of information in the following fields:

- (1) The design, construction, and operation of research reactors and their use as research, development, and engineering tools and in medical therapy;
- (2) Health and safety problems related to the operation and use of research reactors; and
- (3) The use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

The relatively short but dramatic history of nuclear studies is marked by the contributions of many countries. The stimulation provided by this program will accelerate research and expand the



boundaries of knowledge to the benefit of all peoples. The committee considers this program one of the most constructive to which the United States can contribute.

*Relation to Atomic Energy Act (sec. 11 (b)).*—This makes explicit that the foreign reactor program in no way changes the Atomic Energy Act. The safeguards spelled out in that act are to be adhered to rigidly in carrying out the provisions of section 10.

*United States cost (sec. 11 (c)).*—This limits the United States contribution to any one reactor project to \$350,000. The average cost of a project, including experimental equipment and supplementary facilities, is \$700,000. Thus, the United States will contribute one-half. Should the cost exceed \$700,000, the United States will contribute no more than \$350,000. The sum authorized in this section will cover the United States share for 17 reactor projects.

*Dissemination of information (sec. 11 (d)).*—This is intended to assure dissemination in foreign countries of information regarding the purpose, scope, and character of this program. Such dissemination would not only dramatize the benefits that can accrue to all peoples from this program, but would also counterbalance the attention that has been given to the military aspects of atomic development.

### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the proposed bill, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

### MUTUAL SECURITY ACT OF 1954

AN ACT To promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Mutual Security Act of 1954".

*SEC. 2. STATEMENT OF POLICY.*—The Congress of the United States, recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States is able to provide compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

### TITLE I—MUTUAL DEFENSE ASSISTANCE

#### CHAPTER 1. MILITARY ASSISTANCE

*SEC. 101. PURPOSE OF CHAPTER.*—The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common defense. The Congress hereby finds that the efforts of the United States and other nations to promote peace and security require additional measures of support based upon the principle of continuous and effective self-help and mutual aid. It is the purpose of this chapter to authorize measures in the common defense, including the furnishing of military assistance to friendly nations and



international organizations in order to promote the foreign policy, security, and general welfare of the United States and to facilitate the effective participation of such nations in arrangements for individual and collective self-defense. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safe-guards to protect complying nations against violation and evasion.

The Congress reaffirms its previous expressions favoring the creation by the free peoples of the Far East and the Pacific of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties and to protect their security and independence.

The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

SEC. 102. GENERAL AUTHORITY.—Military assistance may be furnished under this chapter on a grant or loan basis and upon such other appropriate terms as may be agreed upon, by the procurement from any source and the transfer to eligible nations and international organizations of equipment, materials, and services, or by the provision of any service, including the assignment or detail of members of the Armed Forces and other personnel of the Department of Defense solely to assist in an advisory capacity or to perform other duties of a non-combatant nature, including military training or advice.

SEC. 103. AUTHORIZATIONS.—(a) (1) There is hereby authorized to be appropriated to the President, in addition to appropriations authorized by section 104, not to exceed \$1,270,000,000 to carry out the purpose of this chapter; and, in addition, unexpended balances of appropriations for military assistance under each paragraph of the Mutual Security Appropriation Act, 1954 (including the appropriation for mutual special weapons planning), are hereby authorized to be continued available for the purpose of this chapter and to be consolidated with the appropriation authorized by this subsection; all of which is hereby authorized to be continued available through June 30, 1955.

(2) In addition, there is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$1,133,000,000, to remain available until expended.

(3) *In addition, there is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$1,925,000,000, of which not less than \$48,000,000 shall be used to provide assistance to Spain and not more than \$402,000,000 may be used to provide assistance to other European countries, and which shall remain available until expended.*

(b) Funds made available pursuant to subsection (a) of this section shall be available for the administrative and operating expenses of carrying out the purpose of this chapter and of section 124 including expenses incident to United States participation in international security organizations.

(c) When appropriations made pursuant to subsection (a) of this section are used to furnish military assistance on terms of repayment within ten years or earlier such assistance may be furnished, notwithstanding sections 105, 141, and 142, to nations eligible to purchase military equipment, materials, and services under section 106.

SEC. 104. INFRASTRUCTURE.—(a) The President is authorized to make contributions to infrastructure programs of the North Atlantic Treaty Organization, in accordance with agreements already made between the member nations, out of funds made available pursuant to this section, or section 103, or chapter IX of the Supplemental Appropriation Act, 1953, of amounts totaling not more than \$780,000,000, less amounts already contributed for such purpose. There is hereby authorized to be appropriated to the President for such purpose, in installments prior to June 30, 1958, not to exceed \$321,000,000, to remain available until expended. Such contributions by the United States shall not exceed its proportionate share, as heretofore agreed upon, of the expenses of such programs.

(b) When the President determines that it is in the interest of the security of the United States to participate in programs for the acquisition or construction of

facilities in foreign nations for collective defense other than programs of the North Atlantic Treaty Organization, he may use for such purpose funds made available under section 103 or local currencies made available under section 402 in amounts totaling not more than \$50,000,000.

(c) Notwithstanding section 501 of this Act, no funds other than those referred to in subsections (a) and (b) of this section may be expended for the purposes of this section. No funds shall be expended under this section for rental or purchase of land or for payment of taxes.

SEC. 105. CONDITIONS APPLICABLE TO MILITARY ASSISTANCE—(a) Military assistance may be furnished under this chapter to any nation whose increased ability to defend itself the President shall have determined to be important to the security of the United States and which is otherwise eligible to receive such assistance. Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation.

(b) In addition to the authority and limitations contained in the preceding subsection, the following provisions shall apply to particular areas:

(1) The Congress welcomes the recent progress in European cooperation and reaffirms its belief in the necessity of further efforts toward political federation, military integration, and economic unification as a means of building strength, establishing security, and preserving peace in the North Atlantic area. In order to provide further encouragement to such efforts, the Congress believes it essential that this Act should be so administered as to support concrete measures to promote greater political federation, military integration, and economic unification in Europe.

(2) Military assistance furnished to any nation in the Near East and Africa to permit it to participate in the defense of its area shall be furnished only in accordance with plans and arrangements which shall have been found by the President to require the recipient nation to take an important part therein.

(3) In furnishing military assistance in Asia and in carrying out the provisions of section 121 of this Act, the President shall give the fullest assistance, as far as possible directly, to the free peoples in that area, including the Associated States of Cambodia, Laos, and Vietnam, in their creation of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties, and to protect their security and independence.

(4) Military assistance may be furnished to the other American Republics only in accordance with defense plans which shall have been found by the President to require the recipient nation to participate in missions important to the defense of the Western Hemisphere.

[(c) The Secretary of Defense shall insure that the value (as determined pursuant to section 545) of equipment, materials, and services heretofore furnished under military assistance programs authorized by Acts repealed by this Act or hereafter furnished pursuant to section 103 (a) to nations or organizations in each of the four areas named in this subsection shall not exceed the total of the funds heretofore made available for military assistance in that area pursuant to Acts repealed by this Act plus the amount herein specified for that area:

[(1) In the European area (excluding Greece and Turkey), \$617,500,000.

[(2) In the Near East (including Greece and Turkey) and Africa, \$181,200,000.

[(3) In Asia, \$583,600,000.

[(4) In the Western Hemisphere, \$13,000,000.

[(d) Whenever the President determines it to be necessary for the purpose of this title, equipment, materials, and services of a value not to exceed 15 per centum of the sum of (1) that portion of the unexpended balances referred to in section 103 (a) which was available on June 30, 1954, to furnish assistance in any of the areas named in subsection (c) of this section, and (2) the amount specified in the applicable paragraph of subsection (c) of this section for additional assistance in such area, may be furnished in any other such area or areas, notwithstanding the limitations set forth in subsection (c) of this section. Funds heretofore obligated or programmed or hereafter made available solely for the purpose of section 104 (pertaining to infrastructure) shall not be included in the total fixed for each such area. Funds heretofore appropriated for military assistance in a particular



geographic area but transferred from such use under section 513 of the Mutual Security Act of 1951, as amended, or under section 408 (c) of the Mutual Defense Assistance Act, shall be included in the total for the area for the benefit of which such transfer was made, and not in the total for the area from which the transfer was made.]

SEC. 106. SALE OF MILITARY EQUIPMENT, MATERIALS, AND SERVICES.—(a) The President may, in order to carry out the purpose of this chapter, sell or enter into contracts (without requirement for charge to any appropriation or contract authorization) for the procurement for sale of equipment, materials, or services to any nation or international organization: *Provided*, That prior to the transfer of any such equipment, materials, or services to any nation which has not signed an agreement under section 142 of this Act or joined with the United States in a regional collective defense arrangement, the President shall have received commitments satisfactory to him that such equipment, materials, or services are required for and will be used by such nation solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area of which it is a part, or in collective security arrangements and measures consistent with the Charter of the United Nations, and that it will not undertake any act of aggression against any other state.

(b) Whenever equipment or materials are sold from the stocks of or services are rendered by any United States Government agency to any nation or international organization as provided in subsection (a), such nation or international organization shall first make available the fair value, as determined by the President, of such equipment, materials, or services before delivery or, when the President determines it to be in the best interests of the United States, within sixty days thereafter or, as determined by the President, within a reasonable period not to exceed three years. The fair value for the purpose of this subsection shall not be less than the value as defined in subsection (h) of section 545: *Provided*, That with respect to excess equipment or materials the fair value may not be determined to be less than (i) the minimum value specified in that subsection plus the scrap value, or (ii) the market value, if ascertainable, whichever is the greater. Before a contract for new production is entered into, or rehabilitation work is undertaken, such nation or international organization shall (A) provide the United States with a dependable undertaking to pay the full amount of such contract or the cost of such rehabilitation which will assure the United States against any loss on the contract or rehabilitation work, and (B) shall make funds available in such amounts and at such times as may be necessary to meet the payments required by the contract or the rehabilitation work in advance of the time such payments are due, in addition to the estimated amount of any damages and costs that may accrue from the cancellation of such contract or rehabilitation work.

(c) Sections 105, 141, and 142 shall not apply with respect to assistance furnished under this section.

SEC. 107. WAIVERS OF LAW.—(a) The President may perform any of the functions authorized under this chapter without regard to (1) the provisions of title 10, United States Code, section 1262 (a), and title 34, United States Code, section 546 (e); and (2) such provisions as he may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

(b) Notwithstanding the provisions of Revised Statutes 1222 (10 U. S. C. 576), personnel of the Department of Defense may be assigned or detailed to any civil office for the purpose of enabling the President to furnish assistance under this Act.

SEC. 108. TRANSFER OF MILITARY EQUIPMENT TO JAPAN.—In addition to any program of military assistance for which funds may be appropriated pursuant to this Act, the President is hereby authorized to transfer to the Government of Japan, until June 30, 1956, upon such terms and conditions as he may specify, and upon its request, United States military equipment and supplies programed for Japan to meet its internal security requirements for which Department of Defense appropriations were obligated prior to July 1, 1953. No appropriation shall be requested to replace the military equipment and supplies so transferred, and no funds heretofore or hereafter appropriated for the purpose of this chapter shall be available for reimbursement to any United States Government agency on account of any transfer made pursuant to this section.

## CHAPTER 2—SOUTHEAST ASIA AND THE WESTERN PACIFIC, AND DIRECT FORCES SUPPORT

SEC. 121. SOUTHEAST ASIA AND THE WESTERN PACIFIC.—There is hereby authorized to be appropriated to the President for the fiscal year 1955, to be made available on such terms and conditions, including transfer of funds, as he may spec-



ify, not to exceed \$700,000,000 for expenses necessary for the support of the forces of nations in the area of Southeast Asia, including the furnishing, as far as possible, of direct assistance to the Associated States of Cambodia, Laos, and Vietnam as well as to the forces of other free nations in the area including those of France located in such Associated States and for other expenditures to accomplish in Southeast Asia and the Western Pacific the policies and purposes declared in this Act. In addition, the unexpended balances of funds allocated from appropriations made pursuant to sections 304 and 540 of the Mutual Security Act of 1951, as amended, for the purpose of support of the forces of the Associated States of Cambodia, Laos, and Vietnam and the forces of France located in the Associated States, are hereby authorized to be continued available for the purpose of this section through June 30, 1955, and to be consolidated with the appropriation authorized by this section. Assistance under this title shall be made available subject to the provisions of sections 141 and 142, except that (1) in the case of assistance to the Associated States of Cambodia, Laos, and Vietnam, and (2) in the case of assistance (not to exceed in the aggregate 10 per centum of the amount appropriated pursuant to this section, excluding unexpended balances of prior appropriations) to other nations, the President may waive specific provisions of section 142 to the extent he may deem necessary in the national interest to carry out the purposes of this Act. The President or such officer as he may designate shall report each instance of such waiver to the Foreign Relations, Appropriations, and Armed Services Committees of the Senate and the Foreign Affairs, Appropriations, and Armed Services Committees of the House of Representatives within thirty days.

It is the sense of the Congress that no part of the funds appropriated under this section shall be used on behalf of governments which are committed by treaty to maintain Communist rule over any defined territory of Asia.

SEC. 122. PRODUCTION FOR FORCES SUPPORT.—There is hereby authorized to be appropriated to the President for the fiscal year 1955, to be made available on such terms and conditions, including transfer of funds, as he may specify, not to exceed \$35,000,000 for manufacture in the United Kingdom of military aircraft required by United Kingdom forces for the defense of the North Atlantic area. In addition, unexpended balances of appropriations made pursuant to section 102 of the Mutual Security Act of 1951, as amended, are hereby authorized to be continued available for their original purposes through June 30, 1955, and the unexpended balance of the appropriation made pursuant to the second clause of that section is authorized to be consolidated with the appropriation authorized by this section.

SEC. 123. COMMON USE ITEMS.—There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$60,000,000 for the provision of any common-use equipment, materials, commodities, or services which are to be used by military forces of nations receiving assistance under chapter 1 of this title. Programs authorized by this section shall be administered in accordance with the provisions of chapter 1 or chapter 3 of this title.

SEC. 124. DIRECT FORCES SUPPORT.—There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$317,200,000 to provide assistance in the form of direct forces support to be delivered or rendered directly to the military forces of nations eligible for military assistance under chapter 1 of this title. The President may, notwithstanding the provisions of section 501, consolidate all or any part of appropriations made pursuant to this section with appropriations made pursuant to section 103. Programs authorized by this section may be administered in accordance with the provisions of chapter 1 or chapter 3 of this title.

#### CHAPTER 3—DEFENSE SUPPORT

SEC. 131. GENERAL AUTHORITY.—(a) The President is hereby authorized to furnish, to nations and organizations eligible to receive military assistance under chapter 1 of this title, or to nations which have joined with the United States in a regional collective defense arrangement, commodities, services, and financial and other assistance designed to sustain and increase military effort. In furnishing such assistance, the President may provide for the procurement and transfer from any source of any commodity or service (including processing, storing, transporting, marine insurance, and repairing) or any technical information and assistance.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 to carry out the provisions of this section, not to exceed—

- (1) \$46,000,000 for Europe (excluding Greece and Turkey);
- (2) \$73,000,000 for the Near East (including Greece and Turkey), Africa, and South Asia; and
- (3) \$80,098,195 for the Far East and the Pacific.

In addition, unexpended balances of appropriations heretofore made pursuant to section 541 of the Mutual Security Act of 1951, as amended, are hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized for the same area by this subsection: *Provided*, That portions of such unexpended balances which have been allocated to assistance for Greece and Turkey shall be consolidated with the appropriation authorized by paragraph (2) of this subsection.

(c) There is hereby authorized to be appropriated to the President for the fiscal year 1956 to carry out the provisions of this section, not to exceed—

- (1) \$92,000,000 for Europe (excluding Greece and Turkey);
- (2) \$102,500,000 for the Near East (including Greece and Turkey) and Africa;

and

- (3) \$827,800,000 for Asia [ . ];

and for the fiscal year 1957 not to exceed—

- (1) \$63,700,000 for Europe (excluding Greece and Turkey);
- (2) \$170,000,000 for the Near East (including Greece and Turkey) and Africa;
- (3) \$882,000,000 for Asia; and
- (4) \$32,000,000 for Latin America.

Funds made available under paragraph (4) may be used to furnish assistance designed to sustain and increase military or internal defense efforts, and may be used without regard to the requirements of sections 141 and 142 in the case of any nation which is a party to the Inter-American Treaty of Reciprocal Assistance and which has adhered to the resolution of 1954 entitled 'Declaration of Solidarity for the Preservation of the Political Integrity of the American States against the Intervention of International Communism'.

Funds made available for assistance to Korea from appropriations authorized by this section may be used in accordance with the applicable provisions of section 132 of this Act.

(d) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II: *Provided*, That in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

SEC. 132. KOREAN PROGRAM.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$205,000,000 to be expended, upon terms and conditions specified by the President, for defense support, relief and rehabilitation, and other necessary assistance (including payment of ocean freight charges on shipments for relief and rehabilitation, without regard to section 409 of this Act) in those parts of Korea which the President shall have determined to be not under Communist control. In addition, unexpended balances of funds heretofore allocated for the purpose of relief and rehabilitation in Korea pursuant to the paragraph entitled "Relief and Rehabilitation in Korea," chapter VII Supplemental Appropriation Act, 1954, and unobligated balances of the appropriation for "Civilian Relief in Korea," title III, Department of Defense Appropriation Act, 1954, are hereby authorized to be continued available for the purposes of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized by this subsection.

(b) (1) Notwithstanding the provisions of any other law, the President is authorized, at any time prior to twenty-four months from the date of enactment of this Act, to transfer to the Republic of Korea, by sale or charter and on such terms and conditions as he may specify, not more than eight C1-M-AV1 vessels. Any agency of the United States Government owning or operating such vessels is authorized to make such vessels available for the purpose of this subsection: *Provided*, That if after investigation it is determined by the President that there are privately owned C1-M-AV1 vessels offered and available for sale by American citizens as defined in section 2 of the Shipping Act, 1916, as amended, at prices equal to or less than those provided for in subsection (b) (2) below, such vessels shall be acquired by an owning or operating agency designated by the President for the purpose of this subsection. Funds made available pursuant to subsection

(a) of this section shall be available for the purpose of this subsection.

(2) Such transfers shall be made at prices determined under section 3 of the Merchant Ship Sales Act of 1946 (50 U. S. C., App. 1736): *Provided*, That such



vessels shall be placed in class in accordance with minimum requirements of the American Bureau of Shipping by the owning or operating agency, and the expense of placing in class shall be reimbursed to such agency.

(c) There is hereby authorized to be appropriated for the fiscal year 1955 not to exceed \$3,452,615 for making contributions to the United Nations Korean Reconstruction Agency or expenditure through such other agency for relief and rehabilitation in Korea as the President may direct. In addition, the unexpended balance of the appropriation made pursuant to the last sentence of section 303 (a) of the Mutual Security Act of 1951, as amended, is hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized by this subsection. Sections 141 and 142 of this Act shall not apply with respect to assistance furnished under this subsection.

(d) To the extent necessary to accomplish the purposes of this section (1) assistance may be furnished under this section without regard to the other provisions of this title and (2) the authority provided in section 307 may be exercised in furnishing assistance under subsection (a) of this section.

#### CHAPTER 4—GENERAL PROVISIONS RELATING TO MUTUAL DEFENSE ASSISTANCE

SEC. 141. CONDITIONS OF ELIGIBILITY FOR ASSISTANCE.—No assistance shall be furnished under this title to any nation or organization unless the President shall have found that furnishing such assistance will strengthen the security of the United States and promote world peace. No such assistance shall be furnished to a nation unless it shall have agreed to the provisions required by section 142, and such additional provisions as the President deems necessary to effectuate the policies and provisions of this title and to safeguard the interests of the United States.

SEC. 142. AGREEMENTS.—(a) No assistance shall be furnished to any nation under this title unless such nation shall have agreed to—

(1) join in promoting international understanding and good will, and maintaining world peace;

(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

(3) fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

(5) take all reasonable measures which may be needed to develop its defense capacities;

(6) take appropriate steps to insure the effective utilization of the assistance furnished under this title in furtherance of the policies and purposes of this title;

(7) impose appropriate restrictions against transfer of title to or possession of any equipment and materials, information, or services furnished under chapter 1 of this title, without the consent of the President;

(8) maintain the security of any article, service, or information furnished under chapter 1 of this title;

(9) furnish equipment and materials, services, or other assistance consistent with the Charter of the United Nations, to the United States or to and among other nations to further the policies and purpose of chapter 1 of this title;

(10) permit continuous observation and review by United States representatives of programs of assistance authorized under this title, including the utilization of any such assistance and provide the United States with full and complete information with respect to these matters, as the President may require.

(b) In cases where any commodity is to be furnished on a grant basis under chapter 2 or chapter 3 of title I or under title II of this Act under arrangements which will result in the accrual of proceeds to the recipient nation from the import or sale thereof, such assistance shall not be furnished unless the recipient nation shall have agreed to establish a Special Account, and

(i) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient nation in amounts equal to such proceeds;

(ii) make available to the United States such portion of the Special Account as may be determined by the President to be necessary for the requirements



of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

(iii) utilize the remainder of the Special Account for programs agreed to by the United States to carry out the purposes for which new funds authorized by this Act would themselves be available.

Any unencumbered balances of funds which remain in the Account upon termination of assistance to such nation under this Act shall be disposed of for such purposes as may, subject to approval by the Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States.

## TITLE II—DEVELOPMENT ASSISTANCE

[SEC. 201. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1955, not to exceed—

[(1) \$115,000,000 for assistance designed to promote the economic development of the Near East and Africa, and for other types of assistance designed to help maintain economic and political stability in the area;

[(2) \$75,000,000 for assistance designed to promote the economic development of Asia and to assist in maintaining economic and political stability in the area; and

[(3) \$9,000,000 for assistance designed to promote economic development in the other American Republics and non-self-governing territories of the Western Hemisphere and to assist in maintaining economic and political stability in the area.

[Such assistance may be furnished on such terms and conditions as the President may specify and shall emphasize loans rather than grants wherever possible.

[(b) In addition, unexpended balances of appropriations heretofore made pursuant to sections 206 and 302 (b) of the Mutual Security Act of 1951, as amended, and unexpended balances of funds allocated to the emergency economic aid program for Bolivia are hereby authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriations authorized by paragraphs (1), (2), and (3) of subsection (a) of this section, respectively.

[(c) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$73,000,000, \$71,000,000, and \$38,000,000, to furnish assistance under paragraphs (1), (2), and (3), respectively of subsection (a) of this section.]

SEC. 201. AUTHORIZATION.—(a) *In addition to the funds heretofore appropriated pursuant to the provisions of sections 201 and 418 of this Act as in effect prior to the enactment of the Mutual Security Act of 1956, which funds shall remain available for their original purposes in accordance with the provisions of law originally applicable thereto, there is hereby authorized to be appropriated to the President not to exceed \$243,000,000, to remain available until June 30, 1960, for assistance designed to promote the economic development of free Asia, the Middle East, and Africa, based on self-help and mutual cooperation of friendly nations, and to maintain economic and political stability in these areas.*

(b) *The President is authorized to utilize the funds hereafter made available for purposes of this title to accomplish in these areas policies and purposes declared in this Act, and to disburse them on such terms and conditions, including transfer of funds, as he may specify: Provided, That such assistance shall only be available on terms of repayment, except (1) when such funds are used to finance sales of surplus agricultural commodities under section 402, or (2) when granted for the purpose of a regional project involving two or more beneficiary nations: And provided further, That not more than 25 percent of any funds hereafter made available for purposes of this title shall be used in furnishing assistance to any one nation (including bilateral assistance furnished to such nation as well as such nation's proportionate share of assistance furnished for regional projects in which it is involved).*

(c) *To be eligible for bilateral assistance from funds hereafter made available for purposes of this title, a nation shall have entered into a written agreement, satisfactory to the President, to permit participation by private enterprise in the accomplishment of any of the purposes of this Act in conformance with the provisions of section 413, which relates to encouragement of free enterprise and private participation.*

(d) *Funds made available under this title may be used for expenses (other than those provided for under section 411 (c) of this Act) to assist in carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance.*

[SEC. 202. ADMINISTRATION.—Except as necessary to accomplish the purposes of section 201, programs of assistance authorized by that section shall be administered in accordance with sections 303 and 308 (relating to technical cooperation). The authority provided in section 307 may be exercised for purposes of furnishing assistance under section 201.]

### TITLE III—TECHNICAL COOPERATION

SEC. 301. DECLARATION OF PURPOSE.—It is the policy of the United States and the purpose of this title to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new sources of wealth, increasing productivity and expanding purchasing power.

SEC. 302. GENERAL AUTHORITY AND DEFINITION.—The President is authorized to furnish assistance in accordance with the provisions of this title through bilateral technical cooperation programs. As used in this title, the term “technical cooperation programs” means programs for the international interchange of technical knowledge and skills designed to contribute primarily to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas. Such activities shall be limited to economic, engineering, medical, educational, labor, agricultural, forestry, fishery, mineral, and fiscal surveys, demonstration, training, and similar projects that serve the purpose of promoting the development of economic resources, productive capacities, and trade of economically underdeveloped areas, and training in public administration. The term “technical cooperation programs” does not include such activities authorized by the United States Information and Educational Exchange Act of 1948 (62 Stat. 6) as are not primarily related to economic development, nor activities undertaken now or hereafter pursuant to the International Aviation Facilities Act (62 Stat. 450), nor activities undertaken now or hereafter in the administration of areas occupied by the United States Armed Forces.

SEC. 303. PREREQUISITES TO ASSISTANCE.—Assistance shall be made available under section 302 of this Act only where the President determines that the nation being assisted—

- (a) pays a fair share of the cost of the program;
- (b) provides all necessary information concerning such program and gives the program full publicity;
- (c) seeks to the maximum extent possible full coordination and integration of technical cooperation programs being carried on in that nation;
- (d) endeavors to make effective use of the results of the program; and
- (e) cooperates with other nations participating in the program in the mutual exchange of technical knowledge and skills.

SEC. 304. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1955 \$88,570,000 for technical cooperation programs in the Near East, Africa, South Asia, and Far East and Pacific, and \$28,500,000 for such programs in Latin America. In addition, unexpended balances of appropriations heretofore made pursuant to section 543 of the Mutual Security Act of 1951, as amended, are authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriation authorized by this section.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$146,500,000, and for the fiscal year 1957 not to exceed \$140,500,000, for technical cooperation programs in the Near East and Africa, Asia and Latin America.

SEC. 305. LIMITATION ON USE OF FUNDS.—Funds made available under section 304 may be expended to furnish assistance in the form of equipment or commodities only where necessary for instruction or demonstration purposes.

SEC. 306. MULTILATERAL TECHNICAL COOPERATION.—As one means of accomplishing the purposes of this title, the United States is authorized to participate in multilateral technical cooperation programs carried on by the United Nations, the Organization of American States, their related organizations, and other international organizations, wherever practicable. There is hereby authorized to be appropriated to carry out the purpose of this section, in addition to the amounts authorized by section 304, not to exceed—

(a) \$17,958,000 for making contributions to the United Nations Expanded Program of Technical Assistance; in addition, \$24,000,000 for the fiscal year 1956



[for contributions to the United Nations Expanded Program of Technical Assistance;], and \$15,500,000 for the fiscal year 1957, for such contributions;

(b) \$1,500,000 for making contributions to the technical cooperation program of the Organization of American States; in addition, \$1,500,000 for the fiscal year 1956 [for contributions to the technical cooperation programs of the Organization of American States.], and \$1,500,000 for the fiscal year 1957, for such contributions.

SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—The President may make advances and grants-in-aid of technical cooperation programs to any person, corporation, or other body of persons or to any foreign government agency. The President may make and perform contracts and agreements in respect to technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency. A contract or agreement which entails commitments for the expenditure of funds appropriated pursuant to this title may, subject to any future action of the Congress, [run for not to exceed three years.] *extend at any time for not more than three years.*

SEC. 308. INTERNATIONAL DEVELOPMENT ADVISORY BOARD.—There shall be an advisory board, referred to in this section as the "Board," which shall advise and consult with the President, or such other officer as he may designate to administer this title, with respect to general or basic policy matters arising in connection with the operation of programs authorized by this title, title II, and section 413 (b). The Board shall consist of not more than thirteen members appointed by the President, one of whom, by and with the advice and consent of the Senate, shall be appointed by him as chairman. The members of the Board shall be broadly representative of voluntary agencies and other groups interested in the programs, including business, labor, agriculture, public health, and education. All members of the Board shall be citizens of the United States; none except the chairman shall be an officer or an employee of the United States (including any United States Government agency) who as such regularly receives compensation for current services. Members of the Board, other than the chairman if he is an officer of the United States Government, shall receive out of funds made available for the purpose of this title a per diem allowance of \$50 for each day spent away from their homes or regular places of business for the purpose of attendance at meetings of the Board or at conferences held upon the call of the chairman, and in necessary travel, and while so engaged they may be paid actual travel expenses and not to exceed \$10 per diem, or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher, in lieu of subsistence and other expenses.

#### TITLE IV—OTHER PROGRAMS

SEC. 401. SPECIAL FUND.—(a) Of the funds made available under this Act, not to exceed [\$50,000,000] \$150,000,000, in addition to the funds authorized to be appropriated under subsection (b) hereof, may be used in any fiscal year, without regard to the requirements of this Act or any other Act for which funds are authorized by this Act, in furtherance of any of the purposes of such Acts, when the President determines that such use is important to the security of the United States. Not to exceed \$100,000,000 of the funds available under this section may be expended for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia or the Communist-dominated or Communist-occupied areas of Germany and Austria, or any Communist-dominated or Communist-occupied areas of Asia and any other countries absorbed by the Soviet Union, either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the United States. Certification by the President that he has expended amounts under this Act not in excess of \$50,000,000, and that it is inadvisable to specify the nature of such expenditures, shall be deemed a sufficient voucher for such amounts. Not more than [\$20,000,000] \$30,000,000 of the funds available under this section may be allocated to any one nation in any fiscal year.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 \$100,000,000, and for the fiscal year 1957 not to exceed \$100,000,000, for use in accordance with subsection (a) of this section.



SEC. 402. EARMARKING OF FUNDS.—Of the funds authorized to be made available pursuant to this Act for the fiscal year 1956, not less than \$300,000,000, *and of the funds so authorized for the fiscal year 1957 not less than \$250,000,000*, shall be used to finance the export and sale for foreign currencies of surplus agricultural commodities or products thereof produced in the United States, in addition to surplus agricultural commodities or products transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954, and in accordance with the standards as to pricing and the use of private trade channels expressed in section 101 of said Act. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this Act. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section.

SEC. 403. SPECIAL ASSISTANCE IN JOINT CONTROL AREAS.—(a) The President is hereby authorized to furnish commodities, services, and financial and other assistance to nations and areas for which the United States has responsibility at the time of the enactment of this Act as a result of participation in joint control arrangements where found by the President to be in the interest of the security of the United States. There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$25,000,000 to carry out this section.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$21,000,000, *and for the fiscal year 1957 not to exceed \$12,200,000*, to carry out this section.

SEC. 404. RESPONSIBILITIES IN GERMANY.—Upon approval by the Secretary of State, a part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany (or any supplementary or succeeding agreement) shall be deposited in the GARIOA (Government and Relief in Occupied Areas) Special Account under the terms of article V of that agreement, and currency which has been or may be deposited in said account, and any portion of funds made available for assistance to the Federal Republic of Germany pursuant to section 403 of this Act, may be used for expenses necessary to meet the responsibilities or objectives of the United States in Germany, including responsibilities arising under the supreme authority assumed by the United States on June 5, 1945, and under contractual arrangements with the Federal Republic of Germany. Expenditures may be made under authority of this section in amounts and under conditions determined by the Secretary of State after consultation with the official primarily responsible for administration of programs under chapter 3 of title I, and without regard to any provision of law which the President determines must be disregarded in order to meet such responsibilities or objectives.

SEC. 405. MIGRANTS, REFUGEES, AND ESCAPEES.—(a) The President is hereby authorized to continue membership for the United States on the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of migrants, there is hereby authorized to be appropriated not to exceed \$11,189,190 for contributions during the calendar year 1955 to the Intergovernmental Committee for European Migration, and thereafter such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee. In addition, the unexpended balance of the appropriation made pursuant to section 534 of the Mutual Security Act of 1951, as amended, is hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized in this subsection.

(b) Of the funds made available under this Act, not more than \$800,000 may be used by the President to facilitate the migration to the other American Republics of persons resident in that portion of the Ryukyu Island Archipelago under United States control.

(c) There is hereby authorized to be appropriated for the fiscal year 1956 not to exceed \$1,400,000, *and for the fiscal year 1957 not to exceed \$2,300,000*, for contributions to the United Nations Refugee Fund.

(d) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$6,000,000, *and for the fiscal year 1957 not to exceed \$7,000,000*, for continuation of activities, including care, training, and resettlement.

ment, which have been undertaken for selected escapees under section 401 of this Act.

SEC. 406. CHILDREN'S WELFARE.—(a) There is hereby authorized to be appropriated not to exceed \$13,500,000 for contributions during the fiscal year 1955 to the United Nations Children's Fund.

(b) There is hereby authorized to be appropriated for the fiscal year 1956 not to exceed \$14,500,000, *and for the fiscal year 1957 not to exceed \$10,000,000*, for contributions to the United Nations Children's Fund.

SEC. 407. PALESTINE REFUGEES IN THE NEAR EAST.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1955, not to exceed \$30,000,000, to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. In addition, the unexpended balance of the appropriation made for the Palestine refugee program in the Mutual Security Appropriation Act, 1954, is hereby authorized to be continued available for the purpose of this section through June 30, 1955. Whenever the President shall determine that it would more effectively contribute to the relief, rehabilitation, and resettlement of Palestine refugees in the Near East, he may expend any part of the funds made available pursuant to this section through any other agency he may designate.

(b) There is hereby authorized to be appropriated to the President [for the fiscal year 1956] not to exceed \$65,000,000 to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

SEC. 408. NORTH ATLANTIC TREATY ORGANIZATION.—(a) In order to provide for United States participation in the North Atlantic Treaty Organization, there is hereby authorized to be appropriated for the fiscal year 1955 not to exceed \$3,200,000 for payment by the United States of its share of the expenses of the Organization, and thereafter such amounts as may be necessary from time to time for the payment by the United States of its share of the expenses of the Organization and all necessary salaries and expenses of the United States permanent representative to the Organization, of such persons as may be appointed to represent the United States in the subsidiary bodies of the Organization or in any multilateral organization which participates in achieving the aims of the North Atlantic Treaty, and of their appropriate staffs, and the expenses of participation in meetings of such organizations, including salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801), and allowances and expenses as provided in section 6 of the Act of July 30, 1946 (22 U. S. C. 287r).

(b) The United States permanent representative to the North Atlantic Treaty Organization shall be appointed by the President by and with the advice and consent of the Senate and shall hold office at the pleasure of the President. Such representative shall have the rank and status of ambassador extraordinary and plenipotentiary and shall be a chief of mission, class 1, within the meaning of the Foreign Service Act of 1946, as amended (22 U. S. C. 801).

(c) Persons detailed to the international staff of the North Atlantic Treaty Organization in accordance with section 529 of this Act who are appointed as Foreign Service Reserve officers may serve for periods of more than four years notwithstanding the limitation in section 522 of the Foreign Service Act of 1946, as amended (22 U. S. C. 922).

SEC. 409. OCEAN FREIGHT CHARGES.—(a) In order to further the efficient use of United States voluntary contributions for relief and rehabilitation in nations and areas eligible for assistance under this Act, the President may pay ocean freight charges from United States ports to designated ports of entry of such nations and areas on shipments by United States voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid and shipments by the American Red Cross.

(b) Where practicable the President shall make arrangements with the receiving nation for free entry of such shipments and for the making available by that nation of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving nation to the designated shipping point of the consignee.

(c) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$4,400,000 to carry out the purposes of this section; and, in addition, unexpended balances of appropriations heretofore made pursuant to section 535 of the Mutual Security Act of 1951, as amended, are authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriation authorized in this section. There is hereby authorized to be appropriated to the President for the fiscal year



1956 not to exceed \$2,000,000, and for the fiscal year 1957 not to exceed \$1,400,000, to carry out the purposes of this section.

(d) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$13,000,000, and for the fiscal year 1957 not to exceed \$14,000,000, to pay ocean freight charges on shipments of surplus agricultural commodities, including commodities made available pursuant to any Act for the disposal abroad of United States agricultural surpluses. In addition, any funds made available under this Act may be used, in amounts determined by the President, for the purposes of this subsection.

SEC. 410. CONTROL ACT EXPENSES.—There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$1,300,000, and for the fiscal year 1956 not to exceed \$1,175,000, and for the fiscal year 1957 not to exceed \$1,175,000, for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U. S. C. 1611). In addition, in accordance with section 303 of that Act, funds made available for carrying out chapter 1 of title I of this Act shall be available for carrying out the purpose of this section in such amounts as the President may direct.

SEC. 411. ADMINISTRATIVE AND OTHER EXPENSES.—(a) Whenever possible, the expenses of administration of this Act shall be paid for in the currency of the nation where the expense is incurred.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$34,700,000, and for the fiscal year 1956 not to exceed \$35,225,000, [for all necessary administrative expenses incident to carrying out the provisions of this Act other than chapter 1 of title I and section 124.] and for the fiscal year 1957 not to exceed \$35,250,000 for necessary administrative expenses incident to carrying out the provisions of this Act (other than chapter 1 of title I and section 124).

(c) Not to exceed \$1,500,000 of funds made available under title II may be transferred in the fiscal year 1957 for necessary administrative expenses not otherwise provided for incident to carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance, and the amounts so transferred shall be consolidated with funds made available pursuant to this section for said fiscal year.

(d) There are authorized to be appropriated to the Department of State such amounts as may be necessary from time to time for administrative expenses which are incurred for normal functions of the Department which relate to functions under this Act.

[(c)] (e) Funds made available for the purposes of this Act may be used for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act.

SEC. 412. CHINESE AND KOREAN STUDENTS.—Funds heretofore allocated to the Secretary of State pursuant to the last proviso of section 202 of the China Area Aid Act of 1950 (22 U. S. C. 1547) shall continue to be available until expended, under such regulations as the Secretary of State may prescribe, using private agencies to the maximum extent practicable, for necessary expenses of tuition, subsistence, transportation, and emergency medical care for selected citizens of China and of Korea for studying or teaching in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purpose, or for research and related academic and technical activities in the United States, and such selected citizens of China who have been admitted for the purpose of study in the United States shall be granted permission to accept employment upon application filed with the Commissioner of Immigration and Naturalization pursuant to regulations promulgated by the Attorney General.

SEC. 413. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free world. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other free nations to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength



of other free nations, through private trade and investment abroad, private participation in the programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this section.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President—

(1) shall make arrangements to find and draw the attention of private enterprise to opportunities for investment and development in other free nations;

(2) shall accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to, *and its equitable treatment in*, nations participating in programs under this Act;

(3) shall, consistent with the security and best interests of the United States, seek compliance by other countries or a dependent area of any country with all treaties for commerce and trade and taxes and shall take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or dependent area thereof in violation of any such treaty; and

(4) may make, *through the International Cooperation Administration* until [June 30, 1957] *June 30, 1967*, under rules and regulations prescribed by him, guaranties to any person of investments in connection with projects, including expansion, modernization, or development of existing enterprises, in any nation with which the United States has agreed to institute the guaranty program. *Provided, That—*

(A) such projects shall be approved by the President as furthering any of the purposes of this Act, and by the nation concerned;

(B) the guaranty to any person shall be limited to assuring any or all of the following:

(i) the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

(ii) the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the President to have been lost to such person by reason of expropriation or confiscation by action of the government of a foreign nation *or by reason of war, revolution, or insurrection*;

(C) when any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency, credits, assets, or investment on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim or cause of action existing in connection therewith;

(D) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the President plus actual earnings or profits on said project to the extent provided by such guaranty, and shall be limited to a term not exceeding twenty years from the date of issuance;

(E) a fee shall be charged in an amount not exceeding 1 per centum per annum of the amount of each guaranty under clause (i) of subparagraph (B) and not exceeding 4 per centum of the amount of each guaranty under clause (ii) of such subparagraph, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this section until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this section;

[F] the President is authorized to issue guaranties up to a total of \$200,000,000: *Provided, That* any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, shall be available for allocation to other guaranties, the foregoing limitation notwithstanding. Any payments made to discharge liabilities under guaranties issued under this subsection shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, when necessary to discharge liabilities under any such guaranty;]

(F) the President is authorized to issue guaranties up to a total face value of \$500,000,000 exclusive of informational media guaranties heretofore and hereafter issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (b) (3)): Provided, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, and funds realized after June 30, 1955, from the sale of currencies or other assets acquired pursuant to subparagraph (C), shall be available for allocation to other guaranties, and the foregoing limitation shall be increased to the extent that such funds become available. Any payments made to discharge liabilities under guaranties issued under this paragraph shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: Provided, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: Provided further, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2).

(G) the guaranty program authorized by this paragraph shall be used to the maximum practicable extent and shall be administered under broad criteria so as to facilitate and increase the participation of private enterprise in achieving any of the purposes of this Act;

(H) as used in this paragraph—

(i) the term "person" means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States, and

(ii) the term "investment" includes any contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital goods items and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made.

**SEC. 414. MUNITIONS CONTROL.**—(a) The President is authorized to control, in furtherance of world peace and the security and foreign policy of the United States, the export and import of arms, ammunition, and implements of war, including technical data relating thereto, other than by a United States Government agency. The President is authorized to designate those articles which shall be considered as arms, ammunition, and implements of war, including technical data relating thereto, for the purposes of this section.

(b) As prescribed in regulations issued under this section, every person who engages in the business of manufacturing, exporting, or importing any arms, ammunition, or implements of war, including technical data relating thereto, designated by the President under subsection (a) shall register with the United States Government agency charged with the Administration of this section and in addition, shall pay a registration fee which shall be prescribed by such regulations.

(c) Any person who willfully violates any provision of this section or any rule or regulation issued under this section, or who willfully, in a registration or license application, makes any untrue statement of a material fact or omits to



state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than \$25,000 or imprisoned not more than two years, or both.

SEC. 415. ASSISTANCE TO INTERNATIONAL [ORGANIZATION] ORGANIZATIONS.—Whenever it will assist in achieving purposes declared in this Act, the President is authorized to use funds available under sections 131 and 403 in order to furnish assistance, including by transfer of funds, directly to the North Atlantic Treaty Organization and the Organization for European Economic Cooperation, for a strategic stockpile of foodstuffs and other supplies, or for other purposes.

SEC. 416. FACILITATION AND ENCOURAGEMENT OF TRAVEL.—The President, through such officer or commission as he may designate, shall facilitate and encourage, without cost to the United States except for administration expenses, the promotion and development of travel by citizens of the United States to and within countries receiving assistance under this Act and travel by citizens of such countries to the United States.

SEC. 417. IRISH COUNTERPART.—Pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, the disposition within Ireland of the unencumbered balance, in the amount of approximately 6,000,000 Irish pounds, of the special account of Irish funds established under article IV of the Economic Cooperation Agreement between the United States of America and Ireland, dated June 28, 1948, for the purposes of—

(1) scholarship exchange between the United States and Ireland;

(2) other programs and projects (including the establishment of an Agricultural Institute) to improve and develop the agricultural production and marketing potential of Ireland and to increase the production and efficiency of Irish industry; and

(3) development programs and projects in aid of the foregoing objectives, is hereby approved, as provided in the agreement between the Government of the United States of America and the Government of Ireland, dated June 17, 1954

[SEC. 418. PRESIDENT'S FUND FOR ASIAN ECONOMIC DEVELOPMENT.—(a) The Congress of the United States reaffirms the policy of the United States to contribute to international peace and security through assisting the peoples of free Asia in their efforts to attain economic and social well-being, to safeguard basic rights and liberties, and to protect their security and independence. The Congress hereby recognizes that fundamental to these goals is an expanding economic growth of the free Asia area based upon self-help and mutual cooperation and full utilization of already existing resources and knowledge. The Congress expresses the willingness of the people of the United States to support the foregoing objectives to the extent to which the countries in the area continue to make effective use of their own resources and external resources otherwise available to them.

[(b) In order to carry out the purposes of this section, there is hereby authorized to be established a fund, to be known as the "President's Fund for Asian Economic Development" (hereinafter referred to as "the Fund") and there is hereby authorized to be appropriated to the President for the Fund an amount of \$200,000,000, such amount to remain available until June 30, 1958.

[(c) The President is authorized to utilize the appropriations made available for the Fund to accomplish in the free Asian area the policies and purposes declared in this Act and to disburse on such terms and conditions, including transfer of funds, as he may specify to any person, corporation, or other body of persons however designated, or to any friendly foreign government, agency, or organization or group of friendly governments or agencies as may be appropriate: *Provided, however,* That such assistance shall emphasize loans rather than grants wherever possible, and not less than 50 per centum of the funds appropriated pursuant to this section shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505, and not more than 25 per centum of said funds may be allocated for assistance to any one nation.

[(d) In utilizing the Fund the President shall give preference to projects or programs that will clearly contribute to promoting greater economic strength in the area as a whole or among a group or groups of countries of the area.]

SEC. 419.—WORLD HEALTH ORGANIZATION.—Section 3 (a) of Public Law 643, Eightieth Congress, approved June 14, 1948, as amended, is hereby amended to read as follows:

"(a) such sums as may be necessary for the payment by the United States of its share of the expenses of the Organization as apportioned by the Health Assembly in accordance with article 56 of the constitution of the Organization, except that payments by the United States for any fiscal year of the Organization after 1958 shall not exceed 33½ per centum of the total assessments of active members of the Organization for such fiscal year; and."



*SEC. 420. FOOD AND AGRICULTURE ORGANIZATION.—Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking out the figure “2,000,000” in section 2 thereof and inserting in lieu thereof the figure “3,000,000”.*

## TITLE V—MISCELLANEOUS PROVISIONS

### CHAPTER 1. GENERAL PROVISIONS

**SEC. 501. TRANSFERABILITY OF FUNDS.**—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available pursuant to any provision of this Act may be transferred to and consolidated with the funds made available pursuant to any other provisions of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount made available for such provision pursuant to this Act. Funds transferred under this section to furnish military assistance under chapter 1 of title I may be expended without regard to the area limits imposed by section 105 (c). [Of any funds transferred under this section for the purpose of furnishing assistance under section 201, 30 per centum shall be available only for furnishing assistance on terms of repayment in accordance with section 505. Not less than 50 per centum of any assistance furnished under paragraph (1), (2), or (3) of section 201 (a) with funds transferred under this section shall be furnished on terms of repayment in accordance with section 505.] *Any funds transferred under this section for the purpose of furnishing assistance under section 201 shall be available only for furnishing assistance on terms of repayment in accordance with section 505, for furnishing surplus agricultural commodities under section 402, or for making grants for regional projects involving two or more beneficiary nations.*

**SEC. 502. USE OF FOREIGN CURRENCY.**—(a) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, proceeds of sales made under section 550 of the Mutual Security Act of 1951, as amended, shall remain available and shall be used for any purposes of this Act, giving particular regard to the following purposes—

- (1) for providing military assistance to nations or mutual defense organizations eligible to receive assistance under this Act;
- (2) for purchase of goods or services in friendly nations;
- (3) for loans, under applicable provisions of this Act, to increase production of goods or services, including strategic materials, needed in any nation with which an agreement was negotiated, or in other friendly nations, with the authority to use currencies received in repayment for the purposes stated in this section or for deposit to the general account of the Treasury of the United States;
- (4) for developing new markets on a mutually beneficial basis;
- (5) for grants-in-aid to increase production for domestic needs in friendly countries; and
- (6) for purchasing materials for United States stockpiles.

(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, as amended, and to the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report for their local currency expenses: *Provided*, That any such committee of the Congress which uses local currency shall make a full report thereof to the Committee on House Administration of the House of Representatives (if the committee using such currency is a committee of the House of Representatives) or to the Committee on Appropriations of the Senate (if the committee using such currency is a committee of the Senate or a joint committee of the Congress), showing the total amount of such currency so used in each country and the purposes for which it was expended.

**SEC. 503. TERMINATION OF ASSISTANCE.**—(a) If the President determines that the furnishing of assistance to any nation under any provision of this Act—

- (1) is no longer consistent with the national interest or security or the foreign policy of the United States; or
- (2) would no longer contribute effectively to the purposes for which such assistance is furnished; or
- (3) is no longer consistent with the obligations and responsibilities of the United States under the Charter of the United Nations.

he shall terminate all or part of any assistance furnished pursuant to this Act. If the President determines that any nation which is receiving assistance under chapter 1 of title I of this Act is not making its full contribution to its own defense or to the defense of the area of which it is a part, he shall terminate all or part of such assistance. Assistance to any nation under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for twelve months from the date of termination under this subsection for the necessary expenses of liquidating assistance programs.

(b) Unless sooner abolished under section 525, the Foreign Operations Administration shall cease to exist at the close of June 30, 1955.

SEC. 504. SMALL BUSINESS.—(a) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under titles II, III, and IV, and chapters 2 and 3 of title I, of this Act—

(1) by causing to be made available to suppliers in the United States and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds,

(2) by causing to be made available to prospective purchasers in the nations receiving assistance under this Act information as to commodities and services produced by small independent enterprises in the United States, and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of commodities and services financed with such funds.

(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such United States Government agency as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

(c) The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to chapter 1 of title I, such information to be furnished as far in advance as possible.

SEC. 505. LOAN ASSISTANCE AND SALES.—(a) Assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States of materials required for stockpiling or other purposes) as may be determined to be best suited to the achievement of the purposes of this Act and shall emphasize loans rather than grants wherever possible. Whenever commodities or services are sold for foreign currencies the President, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, may use or enter into arrangements with friendly nations or organizations of nations to use such currencies for the purposes for which the funds providing the commodities or services which generated the currencies were appropriated.

(b) Of the funds made available pursuant to this Act and foreign currencies accruing to the United States under section 402, the equivalent of not less than \$200,000,000 shall be available only for the furnishing of assistance on terms of repayment. Funds for the purpose of furnishing assistance on terms of repayment shall be allocated to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on such terms. Credits made by the Export-Import Bank of Washington with funds so allocated to it shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any loan made under this section shall be held by the Treasury to be used for such purposes, including further loans, as may be authorized from time to time by Congress. Amounts received in repayment of principal and interest on any credits made under paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be deposited into miscellaneous receipts of the Treasury, except that, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes heretofore authorized to be issued for the purpose of financing assistance on a credit basis under paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be deposited into the Treasury for the purpose of the retirement of such notes.



SEC. 506. PATENTS AND TECHNICAL INFORMATION.—(a) As used in this section—

(1) the term “invention” means an invention or discovery covered by a patent issued by the United States; and

(2) the term “information” means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purposes of this Act—

(1) use within the United States, without authorization by the owner, shall be made of an invention; or

(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees, the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

(c) Before such suit against the United States has been instituted, the head of the appropriate United States Government agency, which has furnished any assistance in furtherance of the purposes of this Act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

(d) The provisions of the last sentence of section 1498 of title 28 of the United States Code shall apply to inventions and information covered by this section.

(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the six years, unless suit is brought before the last-mentioned date.

SEC. 507. AVAILABILITY OF FUNDS.—Except as otherwise provided in section 104 (pertaining to infrastructure), 405 (pertaining to movement of migrants), 408 (a) (pertaining to North Atlantic Treaty Organization), and 412 (pertaining to Chinese and Korean students), *and other provisions of this Act*, funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year.

SEC. 508. LIMITATION ON FUNDS FOR PROPAGANDA.—None of the funds herein authorized to be appropriated nor any counterpart funds shall be used to pay for personal services or printing, or for other expenses of the dissemination within the United States of general propaganda in support of the mutual security program, or to pay the travel or other expenses outside the United States of any citizen or group of citizens of the United States for the purpose of publicizing such program within the United States.

SEC. 509. SHIPPING ON UNITED STATES VESSELS.—Such steps as may be necessary shall be taken to assure, as far as practicable, that at least 50 per centum of the gross tonnage of commodities, materials and equipment procured out of funds made available under sections 103, 123, 131, 132 (a), 201, 304, and 403 of this Act and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services and computed separately for section 103, and for sections 123, 131, 132 (a), 201, 304, and 403 (taken together) is so transported on United States flag commercial vessels to the extent such vessels are available at market rates for United States flag commercial vessels provided such rates are fair and reasonable; and, in the administration of this provision, steps shall be taken, insofar as practicable and consistent with the purposes of this Act, to secure a fair and reasonable participation by United States flag commercial vessels in cargoes by geographic area. The ocean transportation between foreign countries of commodities, materials, and equipment procured out of local currency funds made available or derived from funds made available under this Act or the *Agricultural Trade Development and Assistance Act of 1954, as amended (7 USC 1691 and the following)*, shall not be governed by the provisions of section 901 (b) of the Merchant Marine Act of 1936, or any other law relating to the ocean transportation of commodities, materials, and equipment on United States flag vessels.



SEC. 510. PURCHASE OF COMMODITIES.—No funds made available under title II or chapter 3 of title I of this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment. A bulk purchase within the meaning of this section does not include the purchase of raw cotton in bales. Funds made available under title II or chapter 3 of title I of this Act may be used for the procurement of commodities outside the United States unless the President determines that such procurement will result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the economic advantages to the United States of less costly procurement abroad. In providing for the procurement of any surplus agricultural commodity for transfer by grant under this Act to any recipient nation in accordance with the requirements of such nation, the President shall, insofar as practicable and where in furtherance of the purposes of this Act, authorize the procurement of such surplus agricultural commodity only within the United States except to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the nations receiving assistance under this Act.

SEC. 511. RETENTION AND RETURN OF EQUIPMENT.—(a) No equipment or materials may be transferred under title I out of military stocks if the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such transfer would be detrimental to the national security of the United States, or that such equipment or materials are needed by the reserve components of the Armed Forces to meet their training requirements.

(b) Any equipment, materials, or commodities procured to carry out this Act shall be retained by, or, upon reimbursement, transferred to and for the use of, such United States Government agency as the President may determine in lieu of being disposed of to a foreign nation or international organization whenever in the judgment of the President the best interests of the United States will be served thereby, or whenever such retention is called for by concurrent resolution. Any commodities so retained may be disposed of without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodities or to conserve the usefulness thereof. Funds realized from any such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such equipment, materials, or commodities or to appropriations currently available for such procurement.

(c) The President shall make appropriate arrangements with each nation receiving equipment or materials under chapter 1 of title I (other than equipment or materials sold under the provisions of section 106) for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any such equipment or materials which are no longer required for the purposes for which originally made available.

SEC. 512. PENAL PROVISION.—Whoever offers or gives to anyone who is or in the preceding two years has been an employee or officer of the United States any commission, payment, or gift, in connection with the procurement of equipment, materials, commodities, or services under this Act in connection with which procurement said officer, employee, former officer or former employee is or was employed or performed duty or took any action during such employment, and whoever, being or having been an employee or officer of the United States in the preceding two years, solicits, accepts, or offers to accept any commission, payment, or gift in connection with the procurement of equipment, materials, commodities, or services under this Act in connection with which procurement said officer, employee, former officer or former employee is or was employed or performed duty or took any action during such employment, shall upon conviction thereof be subject to a fine not to exceed \$10,000 or imprisonment for not to exceed three years, or both: *Provided*, That this section shall not apply to persons appointed pursuant to sections 308 or 530 (a) of this Act.

SEC. 513. NOTICE TO LEGISLATIVE COMMITTEES.—When any transfer is made under section 105 (d) or section 501, or any other action is taken under this Act which will result in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act, or which will result in expenditures greater by 50 per centum or more than the proposed expenditures included in such presentation for the program concerned, the President or such officer as he may designate shall promptly notify the Committee on Foreign Relations of the

Senate, the Committee on Foreign Affairs of the House of Representatives and, when military assistance is involved, the Committees on Armed Services of the Senate and House of Representatives, stating the justification for such change. Notice shall also be given to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives of any determination under the first sentence of section 401 (except with respect to unvouchered funds), and copies of any certification as to loyalty under section 531 shall be filed with such committees.

SEC. 514. INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES.—Foreign currencies or credits owed to or owned by the United States, where arising from this Act or otherwise, shall, upon a request from the Secretary of State certifying that such funds are required for the purpose of international educational exchange activities under programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended, be reserved by the Secretary of the Treasury for sale to the Department of State for such activities on the basis of the dollar value at the time of the reservation.

## CHAPTER 2. ORGANIZATION AND ADMINISTRATION

SEC. 521. DELEGATION OF AUTHORITY BY THE PRESIDENT.—(a) Except as provided in subsection (b) and section 413 (b) (4), the President may exercise any power or authority conferred on him by this Act through such agency or officer of the United States as he shall direct, and the head of such agency or such officer may from time to time promulgate such rules and regulations as may be necessary and proper to carry out functions under this Act and may delegate authority to perform any of such functions to his subordinates acting under his direction.

(b) After June 30, 1955, the President shall exercise the powers conferred upon him under title III of this Act through the Secretary of State.

SEC. 522. ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any United States Government agency any part of any funds available for carrying out the purposes of this Act, including any advance to the United States by any nation or international organization for the procurement of equipment or materials or services. Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the Government agencies to which such funds are allocated or transferred. Funds allocated to the Department of Defense shall be governed as to reimbursement by the procedures of subsection (c) of this section.

(b) Any officer of the United States performing functions under this Act may utilize the services and facilities of, or procure commodities from, any United States Government agency as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury. *The Administrator of General Services is authorized to maintain in a separate consolidated account, which shall be free from fiscal year limitations, payments received by the General Services Administration for administrative surcharges in connection with procurement services performed by the General Services Administration in furtherance of the purposes of this Act. Such payments shall be in amounts mutually acceptable to the General Services Administration and the agency administering nonmilitary assistance, and these amounts shall be available for administrative expenses incurred by the General Services Administration in performing such procurement services.*

(c) Reimbursement shall be made to any United States Government agency, from funds available to carry out chapter 1 of title I of this Act, for any assistance furnished under that chapter from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 545) of the equipment and materials, services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under that chapter. The amount of any such reimbursement shall be credited as reimbursable receipts to current applicable appropriations, funds, or accounts of such agency and shall be available for, and under the authority applicable to, the purposes for which such appropriations, funds, or accounts are authorized to be used, including the procurement of equipment and materials or services, required by such agency, in the same general category as those furnished by it or authorized to be procured by it and expenses arising from the incident to such procurement.

(d) In the case of any commodity, service, or facility procured from any United States Government agency under any provision of this Act other than



chapter 1 of title I, reimbursement or payment shall be made to such agency from funds available to carry out such provision. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposal agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that such replacement is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

(e) In furnishing assistance under this Act and in making surplus agricultural commodities available under section 402 accounts may be established on the books of any United States Government agency or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, against which (i) letters of commitment may be issued which shall constitute obligations of the United States, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended, and (ii) withdrawals may be made by recipient nations or agencies, organizations or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) *Any appropriation made to carry out the provisions of this Act may initially be charged, within the limits of available funds, to finance expenses for which funds are available in other appropriations made under this Act: Provided, That as of the end of the same fiscal year such expenses shall be finally charged to applicable appropriations with proper credit to the appropriations initially utilized for financing purposes.*

SEC. 523. COORDINATION WITH FOREIGN POLICY.—(a) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

SEC. 524. THE SECRETARY OF DEFENSE.—(a) In the case of aid under chapter 1 of title I of this Act, the Secretary of Defense shall have primary responsibility for—

- (1) the determination of military end-item requirements;
- (2) the procurement of military equipment in a manner which permits its integration with service programs;
- (3) the supervision of end-item use by the recipient countries;
- (4) the supervision of the training of foreign military personnel;
- (5) the movement and delivery of military end-items; and
- (6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The determination of the value of the program for any country under chapter 1 of title I shall be made by the President.

SEC. 525. FOREIGN OPERATIONS ADMINISTRATION.—Except as modified pursuant to this section or section 521, the Director of the Foreign Operations Administration (referred to in this chapter as the "Director") shall continue to perform the functions vested in him on the effective date of this Act, except insofar as such functions relate to continuous supervision and general direction of programs of military assistance. The President may transfer to any agency or officer of the United States, and may modify or abolish, any function, office, or entity of the Foreign Operations Administration (including any function, office or entity thereof transferred to any other agency) or any officer or employee thereof, and may transfer such personnel, property, records, and funds as may be necessary incident thereto: *Provided*, That such authority conferred by this sentence shall be exercised in accordance with applicable laws and regulations relating to the Civil Service and Veterans' Preference.



**SEC. 526. MISSIONS AND STAFFS ABROAD.**—The President may maintain special missions or staffs abroad in such nations and for such periods of time as may be necessary to carry out this Act. Each such special mission or staff shall be under the direction of a chief. The chief and his deputy shall be appointed by the President and may, notwithstanding any other law, be removed by the President at his discretion. The chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946 (22 U. S. C. 801), or (2) compensation and allowances in accordance with section 527 (c) of this Act, as the President shall determine to be appropriate. If a Foreign Service Officer shall be appointed by the President to a position under this section, the period of his service in such capacity shall be considered as constituting an assignment for duty within the meaning of section 571 of the Foreign Service Act of 1946, as amended, and such person shall not, by virtue of his acceptance of such an assignment, lose his status as a Foreign Service Officer.

**SEC. 527. EMPLOYMENT OF PERSONNEL.**—(a) Any United States Government agency performing functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the provisions and purposes of this Act.

(b) Of the personnel employed in the United States on programs authorized by this Act, not to exceed sixty may be compensated without regard to the provisions of the Classification Act of 1949, as amended, of whom not to exceed thirty-five may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$15,000 per annum. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(c) For the purpose of performing functions under this Act outside the continental limits of the United States, the Director may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees of other United States Government agencies, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946, as amended (22 U. S. C. 801), together with allowances and benefits established thereunder including, in all cases, post differentials prescribed under section 443 of the Foreign Service Act; and persons so employed or assigned shall be entitled to the same benefits as are provided by section 528 of the Foreign Service Act for persons appointed to the Foreign Service Reserve and, except for policy-making officials, the provisions of section 1005 of the Foreign Service Act shall apply in the case of such persons; and

(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended (22 U. S. C. 801), as the President deems necessary to carry out functions under this Act. Such provisions of the Foreign Service Act as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including, in all cases, the provisions of sections 443 and 528 of that Act.

(d) For the purpose of performing functions under this Act outside the continental limits of the United States, the Secretary of State may, at the request of the Director, appoint for the duration of operations under this Act alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946, as amended (22 U. S. C. 801).

**SEC. 528. DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS.**—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any United States Government agency is authorized to detail or assign any officer or employee of this agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government.

(b) Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds available to that agency or made available to that agency out of funds authorized under this Act.

SEC. 529. DETAIL OF PERSONNEL TO INTERNATIONAL ORGANIZATIONS.—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any United States Government agency is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with or as a member of the international staff of such organization, or to render any technical, scientific or professional advice or service to or in cooperation with such organization.

(b) Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority and other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds available to that agency or made available to that agency out of funds authorized under this Act. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U. S. C. 801). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes.

(c) Details or assignments may be made under this section—

(1) without reimbursement to the United States by the international organization;

(2) upon agreement by the international organization to reimburse the United States for compensation, travel expenses, and allowances, or any part thereof payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section; and such reimbursement shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or to the appropriation, fund, or account currently available for such purposes;

(3) upon an advance of funds, property, or services to the United States accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the international organization; or

(4) subject to the receipt by the United States of a credit to be applied against the payment by the United States of its share of the expenses of the international organization to which the officer or employee is detailed, such credit to be based upon the compensation, travel expenses and allowances, or any part thereof, payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section.

SEC. 530. EXPERTS AND CONSULTANTS OR ORGANIZATIONS THEREOF.—(a) Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), may be employed by any United States Government agency for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of \$75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence and other expenses at a rate not to exceed \$10 or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher, while so employed within the continental limits of the United States and at the applicable rate prescribed in the Standardized Government Travel Regulations (Foreign Areas) while so employed outside the continental limits of the United States: *Provided, That contracts for such employment with such organizations may be renewed annually.*

(b) Persons of outstanding experience and ability may be employed without compensation by any United States Government agency for the performance of functions under this Act in accordance with the provisions of section 710 (b) of the Defense Production Act of 1950, as amended (50 U. S. C. App. 2160), and regulations issued thereunder.

SEC. 531. SECURITY CLEARANCE.—No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director under this Act for a period to exceed three months unless—

(a) such individual has been investigated as to loyalty and security by the Civil Service Commission, or by the Federal Bureau of Investigation in the case of specific positions which have been certified by the Director as being



of a high degree of importance or sensitivity or in case the Civil Service Commission investigation develops data reflecting that the individual is of questionable loyalty, and a report thereon has been made to the Director, and until the Director has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never knowingly been a member of any organization advocating contrary views; or

(b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs.

This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any person already employed under programs covered by this Act who has been previously investigated in connection with such employment.

SEC. 532. EXEMPTION OF PERSONNEL FROM CERTAIN FEDERAL LAWS.—(a) Service of an individual as a member of the Board established pursuant to section 308 of this Act or as an expert or consultant under section 530 (a) shall not be considered as service or employment bringing such individual within the provisions of title 18, U. S. C., section 281, 283 or 284, or of section 190 of the Revised Statutes (5 U. S. C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service; nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 6 of the Act of May 22, 1920, as amended (5 U. S. C. 715), section 212 of the Act of June 30, 1932, as amended (5 U. S. C. 59a), or any other Federal law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities. *Contracts for the employment of retired military personnel as experts or consultants under section 530 (a) may be renewed annually, notwithstanding section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).*

(b) Notwithstanding section 2 of the Act of July 31, 1894 (5 U. S. C. 62), which prohibits certain retired officers from holding certain office, any retired officer of any of the services mentioned in the Career Compensation Act of 1949 may hold any office or appointment under this Act or the Mutual Defense Assistance Control Act of 1951, but the compensation of any such retired officer shall be subject to the provisions of the Act of June 30, 1932 (5 U. S. C. 59a), which does not permit retired pay to be added to the compensation received as a civilian officer.

SEC. 533. WAIVERS OF CERTAIN FEDERAL LAWS.—Whenever the President determines it to be in furtherance of purposes declared in this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

SEC. 534. REPORTS.—The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress reports covering each six months of operations, in furtherance of the purposes of this Act, except information the disclosure of which he deems incompatible with the security of the United States. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session. Such reports shall include detailed information on the implementation of sections 504, 413 (b), and 418 of this Act.

SEC. 535. COOPERATION WITH NATIONS AND INTERNATIONAL ORGANIZATIONS.—(a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this Act, and may make payments by advancements or reimbursements, for such purposes, out of funds made available for the purposes of this Act, as may be necessary



therefor, to the extent that special compensation is usually required for such services and facilities: *Provided*, That nothing in this section shall be construed to authorize the delegation to any international or foreign organization or agency of authority to decide the method of furnishing assistance under this Act to any country or the amount thereof.

(b) *Whenever the President determines it to be in furtherance of the purposes of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, on an advance of funds or reimbursement basis, to such organizations. Such advances or reimbursements may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used.* *Whenever the President determines it to be in furtherance of the purposes of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, and on request of nations, are authorized to furnish non-military supplies, materials, and services, to such organizations and nations on an advance of funds or reimbursement basis. Such advances or reimbursements which are received under this subsection within one hundred eighty days after the close of the fiscal year in which such supplies, materials, and services are delivered, may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used.*

SEC. 536. JOINT COMMISSION ON RURAL RECONSTRUCTION IN CHINA.—The President is authorized to continue to participate in the Joint Commission on Rural Reconstruction in China and to appoint citizens of the United States to the Commission.

SEC. 537. PROVISIONS ON USES OF FUNDS.—

(a) *Appropriations for the purposes of this Act (except for chapter 1 of title I and section 124), allocations to any United States Government agency, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to any agency administering nonmilitary assistance, shall, except as may subsequently be otherwise provided by law, be available for the purposes specified in section 102 of the Mutual Security Appropriation Act, 1956 (subject each fiscal year to the limitations on the amounts of funds which can be used for such purposes), in section 2 of Public Law 495, Eighty-third Congress (with respect to the remains of persons or members of the families of persons who may die while away from their homes participating in activities under this Act or other Acts directly related to the purposes of this Act), and in section 902 of the Foreign Service Act of 1946, as amended (with respect to chiefs of mission appointed pursuant to section 526 of this Act), and for the purchase of passenger motor vehicles: Provided, That passenger motor vehicles for administrative purposes may be purchased only as specified in section 102 of the Mutual Security Appropriation Act, 1956, or as specifically otherwise provided by law.*

(b) *United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program.*

### CHAPTER 3. REPEAL AND MISCELLANEOUS PROVISIONS

SEC. 541. EFFECTIVE DATE.—This Act shall take effect on the date of its enactment.

SEC. 542. STATUTES REPEALED.—(a) There are hereby repealed—

- (1) an Act to provide for assistance to Greece and Turkey, approved May 22, 1947, as amended;
- (2) the joint resolution to provide for relief assistance to the people of countries devastated by war, approved May 31, 1947, as amended;
- (3) the Foreign Aid Act of 1947;
- (4) the Foreign Assistance Act of 1948, as amended; including the Economic Cooperation Act of 1948, as amended, the International Children's Emergency Fund Assistance Act of 1948, as amended, the Greek-Turkish Assistance Act of 1948, and the China Aid Act of 1948, as amended;
- (5) the Mutual Defense Assistance Act of 1949, as amended;
- (6) the Foreign Economic Assistance Act of 1950, as amended; including the Economic Cooperation Act of 1950, the China Area Aid Act of 1950, as amended, the United Nations Palestine Refugee Aid Act of 1950, and the Act for International Development, as amended;

- (7) the Far Eastern Economic Assistance Act of 1950, as amended;
- (8) the Yugoslav Emergency Relief Assistance Act of 1950;
- (9) the Mutual Security Act of 1951, as amended;
- (10) the Mutual Security Act of 1952;
- (11) the Mutual Security Act of 1953;
- (12) section 12 of the joint resolution of Congress approved November 4, 1939 (54 Stat. 10; 22 U. S. C. 452);
- (13) section 4 of the Act of March 3, 1925 (50 Stat 887; 50 U. S. C. 165); and
- (14) section 968 of title 18, United States Code.

(b) References in other Acts to the Acts listed in subsection (a) shall hereafter be considered to be references to the appropriate provisions of this Act.

(c) The repeal of the Acts listed in subsection (a) shall not be deemed to affect amendments contained in such Acts to acts not named in subsection (a).

#### SEC. 543. SAVING PROVISIONS.—

(a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken or entered into under authority of any provision of law repealed by section 542 shall continue in full force and effect until modified by appropriate authority.

(b) Where provisions of this Act establish conditions which must be complied with before use may be made of authority contained in or funds authorized by this Act, compliance with substantially similar conditions under Acts named in section 542 shall be deemed to constitute compliance with the conditions established by this Act.

(c) No person in the service or employment of the United States or otherwise performing functions under an Act repealed by section 542 or under section 408 shall be required to be reappointed or reemployed by reason of the entry into force of this Act, except that appointments made pursuant to section 110 (a) (2) of the Economic Co-operation Act of 1948, as amended, shall be converted to appointments under section 527 (c) of this Act.

SEC. 544. AMENDMENTS TO OTHER LAWS.—(a) Title X of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1431), is amended by adding the following new section:

#### “INFORMATIONAL MEDIA GUARANTIES

“SEC. 1011. The Director of the United States Information Agency may make guaranties, in accordance with the provisions of subsection (b) of section 413 of the Mutual Security Act of 1954, of investments in enterprises producing or distributing informational media consistent with the national interests of the United States against funds heretofore made available by notes issued to the Secretary of the Treasury pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, for purposes of guaranties of investments: *Provided, however,* That the amount of such guaranties in any fiscal year shall be determined by the President but shall not exceed \$10,000,000.”

(b) Section 1 of Public Law 283, Eighty-first Congress is repealed. The Institute of Inter-American Affairs, created pursuant to Public Law 369, Eightieth Congress (22 U. S. C. 281), shall have succession until June 30, 1960, and may make contracts for periods not to exceed five years: *Provided,* That any contract extending beyond June 30, 1960, shall be made subject to termination by the said Institute upon notice: *And provided further,* That the said Institute shall, on and after July 1, 1954, be subject to the applicable provisions of the Budget and Accounting Act, 1921, as amended (31 U. S. C. 1), in lieu of the provisions of the Government Corporation Control Act, as amended (31 U. S. C. 841).

(c) *In section 4 of the Act of May 26, 1949 (63 Stat. 111, 5 U. S. C. 151c) insert after the words “such functions” the following: “, including if he shall so specify the authority successively to redelegate any of such functions,”.*

(d) *In the first sentence of section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), after “any agency thereof”, insert “including amounts received in repayment of principal or interest on any loan made under section 505 (b) of the Mutual Security Act of 1954, as amended”.*

(e) *Section 933 of the Foreign Service Act of 1946, as amended (22 U. S. C. 1148), is hereby amended by inserting after “continental United States” where it appears in both subsection (a) and subsection (b) of that section “, its Territories and possessions,”.*



(f) Section 1441 (c) of the Internal Revenue Code of 1954 is hereby amended by inserting after paragraph (5) the following new paragraph:

"(6) *PER DIEM OF CERTAIN ALIENS*.—No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the United States Government (directly or by contract) to any non-resident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended."

(g) Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442), is amended by inserting "(a)" before "The Director", by deleting everything after the words "national interests of the United States", by inserting a period at that point, and by inserting the following new subsections:

"(b) The Director is authorized to assume the obligation of not to exceed \$28,000,000 of the notes authorized to be issued pursuant to subsection 111 (c) (2) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (c) (2)), (together with the interest accrued and unpaid thereon) and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.

"(c) The Director is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413 (b) (4) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the Director less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).

"(d) Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties.

"(e) Notwithstanding the provisions of subparagraph 413 (b) (4) (E) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and (2) the Director may require the payment of a minimum charge of up to fifty dollars for issuance of guaranty contracts, or amendments thereto.

"(f) The Director is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: Provided, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within nine months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.

"(g) As soon as feasible after the enactment of this section, all assets, liabilities, income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that Act, shall be accounted for separately from other guaranties issued pursuant to subsection 413 (b) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b)): Provided, That there shall be transferred from the special account established pursuant to subsection (a) into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and used to make payments under informational media guaranties."

SEC. 545. DEFINITIONS.—For the purposes of this Act—

(a) The term "commodity" includes any commodity, material, article, supply, or goods.

(b) The term "surplus agricultural commodity" means any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

(c) The terms "equipment" and "materials" shall mean any arms, ammunition, or implements of war, or any other type of material, article, raw material, facility, tool, machine, supply or item that would further the purpose of chapter 1 of title I, or any component or part thereof, used or required for use in connection therewith, or required in or for the manufacture, production, processing, storage, trans-



portation, repair, or rehabilitation of any equipment or materials, but shall not include merchant vessels.

(d) The term "mobilization reserve," as used with respect to any equipment or materials, means the quantity of such equipment or materials determined by the Secretary of Defense under regulations prescribed by the President to be required to support mobilization of the Armed Forces of the United States in the event of war or national emergency until such time as adequate additional quantities of such equipment or materials can be procured.

(e) The term "excess," as used with respect to any equipment or materials, means the quantity of such equipment or materials owned by the United States which is in excess of the mobilization reserve of such equipment or materials.

(f) The term "services" shall include any service, repair, training of personnel, or technical or other assistance or information necessary to effectuate the purposes of this Act.

(g) The term "Armed Forces of the United States" shall include any component of the Army of the United States, of the United States Navy, of the United States Marine Corps, of the Air Force of the United States, of the United States Coast Guard, and the Reserve components thereof.

(h) The term "value" means—

(1) with respect to any excess equipment or materials furnished under chapter 1 of title I the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished;

(2) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve (other than equipment or materials referred to in paragraph (3) of this subsection), the actual or the projected (computed as accurately as practicable) cost of procuring for the mobilization reserve an equal quantity of such equipment or materials or an equivalent quantity of equipment or materials of the same general type but deemed to be more desirable for inclusion in the mobilization reserve than the equipment or materials furnished;

(3) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve but with respect to which the Secretary of Defense has certified that it is not necessary fully to replace such equipment or materials in the mobilization reserve, the gross cost to the United States of such equipment and materials or its replacement cost, whichever the Secretary of Defense may specify; and

(4) with respect to any equipment or materials furnished under chapter 1 of title I which are procured for the purpose of being so furnished, the gross cost to the United States of such equipment and materials.

In determining the gross cost incurred by any agency in repairing, rehabilitating, or modifying any excess equipment furnished under chapter 1 of title I, all parts, accessories, or other materials used in the course of repair, rehabilitation, or modification shall be priced in accordance with the current standard pricing policies of such agency. For the purpose of this subsection, the gross cost of any equipment or materials taken from the mobilization reserve means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment and materials owned by the furnishing agency. *Notwithstanding the foregoing provisions of this subsection (h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the Mutual Defense Assistance Program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability, that the term "value" (except in the case of excess equipment or materials) shall mean—*

(1) *the price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or*

(2) *where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value.*

(i) The term "United States Government agency" means any department, agency, board, wholly or partly owned corporation, or instrumentality, commission, or establishment of the United States Government.

(j) *The term "agency administering nonmilitary assistance" shall refer to any agency to which authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.*

(k) The term "officer administering nonmilitary assistance" shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

SEC. 546. CONSTRUCTION.—(a) If any provisions of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and applicability of such provision to other circumstances or persons shall not be affected thereby.

(b) Nothing in this Act shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1946, as amended (42 U. S. C. 1801).

(c) Nothing in this Act is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any nation or nations, or to any international organization.

SEC. 547. REDUCTION OF AUTHORIZATIONS.—Notwithstanding the foregoing provisions of this Act, such provisions shall not be construed to authorize the appropriation for the fiscal year 1955, for the purposes of titles I, II, and IV of this Act, of amounts (exclusive of unexpended balances of prior appropriations authorized to be continued available under such provisions) aggregating in excess of \$2,918,040,000.

SEC. 548. UNEXPENDED BALANCES.—Unexpended balances of funds [heretofore] made available under authority of this Act are hereby authorized to be continued available for the general purposes for which appropriated, and may be consolidated with appropriations made available beginning in fiscal year [1956] 1957 for the same general purposes under the authority of this Act. [Provided, however, That unexpended balances in excess of \$200,000,000 not obligated by June 30, 1955, in accordance with the provisions of section 1311 of the Supplemental Appropriation Act, 1955 (Public Law 663, Eighty-third Congress), or reserved in accordance with the provisions of section 110 of the Mutual Security Appropriation Act, 1955 (Public Law 778, Eighty-third Congress), are not authorized to be continued available after such date.]

SEC. 549. (a) STATEMENT OF CONGRESSIONAL POLICY.—It is the sense of the Congress that inasmuch as—

(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of western Europe;

(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world,

those nations that have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

(b) It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence.

SEC. 550. SPECIAL PROVISION ON AVAILABILITY OF FUNDS.—An amount equal to 25 per centum of the funds authorized to be appropriated for any fiscal year for purposes of chapter 3 of title I, title III, or section 403 of this Act is authorized to be continued available for three months beyond the end of the fiscal year for which appropriated.

## PUBLIC LAW 174—79TH CONGRESS, AS AMENDED

JOINT RESOLUTION Providing for membership of the United States in the Food and Agriculture Organization of the United Nations.

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is hereby authorized to accept membership for the United States in the Food and Agriculture Organization of the United Nations (hereinafter referred to as the "Organization") the Constitution of which is set forth in appendix I of the First Report to the Governments of the United Nations by the Interim Commission on Food and Agriculture, dated August 1, 1944.



SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum not exceeding \$625,000 during the first fiscal year of the Organization and sums not exceeding **[\$2,000,000] \$3,000,000** annually thereafter as may be required for expenditure under the direction of the Secretary of State for the payment by the United States of its proportionate share in the expenses of the Organization.

SEC. 3. In adopting this joint resolution, it is the sense of the Congress that the Government of the United States should use its best efforts to bring about, as soon as practicable, the integration of the functions and the resources of the International Institute of Agriculture with those of the Organization, in a legal and orderly manner, to effect one united institution in such form as to provide an adequate research, informational, and statistical service for the industry of agriculture.

SEC. 4. Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States accept any amendment under paragraph 1 of article XX of the Constitution of the Organization involving any new obligation for the United States.

SEC. 5. In adopting this joint resolution the Congress does so with the understanding that paragraph 2 of article XIII does not authorize the Conference of the Organization to so modify the provisions of its Constitution as to involve any new obligation for the United States.

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#### SECTION 4 OF THE ACT OF MAY 26, 1949 (5 U. S. C. 151c)

SEC. 4. The Secretary of State may promulgate such rules and regulations as may be necessary to carry out the functions now or hereafter vested in the Secretary of State or the Department of State, and he may delegate authority to perform any of such **[functions to] functions, including if he shall so specify the authority successively to redelegate any of such functions,** to officers and employees under his direction and supervision.

#### SECTION 32 (b) (2) OF THE SURPLUS PROPERTY ACT OF 1944, AS AMENDED (50 U. S. C. APP. 1641)

(2) In carrying out the provisions of this section, the Secretary of State is hereby authorized to enter into an executive agreement or agreements with any foreign government for the use of currencies, or credits for currencies, of such government held or available for expenditure by the United States or any agency **[thereof (or)] thereof including amounts received in repayment of principal or interest on any loan made under section 505 (b) of the Mutual Security Act of 1954, as amended (or deposited pursuant to agreements entered into pursuant to section 115 (b) (6) and 115 (h) of the Economic Cooperation Act of 1948, as amended),** and not required by law or agreement with such government to be expended or used for any other purpose, for the purpose of providing, by the formation of foundations or otherwise, for (A) financing studies, research, instruction, and other educational activities of or for American citizens in schools and institutions of higher learning located in such foreign country, or of the citizens of such foreign country in American schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or (B) furnishing transportation for citizens of such foreign country who desire to attend American schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, and whose attendance will not deprive citizens of the United States of an opportunity to attend such schools and institutions: *Provided, however,* That no such agreement or agreements shall provide for the use of an aggregate amount of the currencies, or credits for currencies, of any one country in excess of \$20,000,000 or for the expenditure of the currencies, or credits for currencies, of any one foreign country in excess of \$1,000,000 annually at the official rate of exchange for such currencies, unless otherwise authorized by Congress, nor shall any such agreement relate to any subject other than the use and expenditure of such currencies or credits for currencies for the purposes herein set forth: *Provided further,* That for the purpose of selecting students and educational institutions qualified to participate in this program. and to supervise



the exchange program authorized herein, the President of the United States is hereby authorized to appoint a Board of Foreign Scholarships, consisting of ten members, who shall serve without compensation, composed of representatives of cultural, educational, student and war veterans groups, and including representatives of the United States Office of Education, the United States Veterans' Administration, State educational institutions, and privately endowed educational institutions: *And Provided further*, That in the selection of American citizens for study in foreign countries under this paragraph preference shall be given to applicants who shall have served in the military or naval forces of the United States during World War I or World War II, and due consideration shall be given to applicants from all geographical areas of the United States. The Secretary of State shall transmit to the Congress not later than the 1st day of March of each year a report of operations under this paragraph during the preceding calendar year. Such report shall include the text of any agreements which have been entered into hereunder during the preceding calendar year, and shall specify the names and addresses of American citizens who are attending schools or institutions of higher learning in foreign countries pursuant to such agreements, the names and locations of such schools and institutions, and the amounts of the currencies or credits for currencies expended for any of the purposes under this paragraph in each such foreign country during the preceding calendar year.

## SECTION 933 OF THE FOREIGN SERVICE ACT OF 1946 (22 U. S. C. 1148)

### ORDERING RETURN OF PERSONNEL TO UNITED STATES ON LEAVES OF ABSENCE

SEC. 933. (a) The Secretary shall order to the continental United [States on] *States, its Territories and possessions*, on statutory leave of absence every officer and employee of the Service who is a citizen of the United States upon completion of two years' continuous service abroad or as soon as possible thereafter.

(b) While in the continental United [States on] *States, its Territories and possessions*, on leave, the service of any officer or employee shall be available for such work or duties in the Department or elsewhere as the Secretary may prescribe, but the time of such work or duties shall not be counted as leave.

## SECTION 1441 (c) OF THE INTERNAL REVENUE CODE OF 1954

### SEC. 1441. WITHHOLDING OF TAX ON NONRESIDENT ALIENS.

(a) \* \* \*

\* \* \* \* \*

(c) EXCEPTIONS.—

(1) DIVIDENDS OF FOREIGN CORPORATIONS.—No deduction or withholding under subsection (a) shall be required in the case of dividends paid by a foreign corporation unless (A) such corporation is engaged in trade or business within the United States, and (B) more than 85 percent of the gross income of such corporation for the 3-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States as determined under part I of subchapter N of chapter 1.

(2) OWNER UNKNOWN.—The Secretary or his delegate may authorize the tax under subsection (a) to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

(3) BONDS WITH EXTENDED MATURITY DATES.—The deduction and withholding in the case of interest on bonds, mortgages, or deeds of trust or other similar obligations of a corporation, within subsections (a), (b), and (c) of section 1451 were it not for the fact that the maturity date of such obligations has been extended on or after January 1, 1934, and the liability assumed by the debtor exceeds 27½ percent of the interest, shall not exceed the rate of 27½ percent per annum.

(4) COMPENSATION OF CERTAIN ALIENS.—Under regulations prescribed by the Secretary or his delegate, there may be exempted from deduction and withholding under subsection (a) the compensation for personal services of nonresident alien individuals who enter and leave the United States at frequent intervals.

(5) SPECIAL ITEMS.—In the case of amounts described in section 402 (a) (2), section 631 (b) and (c), and section 1235, which are considered to be gains from the sale or exchange of capital assets, the amount required to be deducted and withheld shall, if the amount of such gain is not known to the withholding agent, be such amount, not exceeding 30 percent of the proceeds from such sale or exchange, as may be necessary to assure that the tax deducted and withheld shall not be less than 30 percent of such gain.

(6) *PER DIEM OF CERTAIN ALIENS.*—No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the United States Government (directly or by contract) to any non-resident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.

## SECTION 1011 OF THE UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948, AS AMENDED (22 U. S. C. 1442)

### INFORMATIONAL MEDIA GUARANTIES

SEC. 1011. (a) The Director of the United States Information Agency may make guaranties, in accordance with the provisions of subsection (b) of section 413 of the Mutual Security Act of 1954, of investments in enterprises producing or distributing informational media consistent with the national interests of the United States [against funds heretofore made available by notes issued to the Secretary of the Treasury pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, for purposes of guaranties of investments: *Provided, however,* That the amount of such guaranties in any fiscal year shall be determined by the President but shall not exceed \$10,000,000].

(b) *The Director is authorized to assume the obligation of not to exceed \$28,000,000 of the notes authorized to be issued pursuant to subsection 111 (c) (2) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (c) (2)), together with the interest accrued and unpaid thereon, and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.*

(c) *The Director is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413 (b) (4) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the Director less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).*

(d) *Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties.*

(e) *Notwithstanding the provisions of subparagraph 413 (b) (4) (E) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and (2) the Director may require the payment of a minimum charge of up to fifty dollars for issuance of guaranty contracts, or amendments thereto.*

(f) *The Director is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: Provided, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within nine months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.*

(g) *As soon as feasible after the enactment of this section, all assets, liabilities, income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that Act, shall be accounted for separately from other guaranties issued pursuant to subsection 413 (b) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b)): Provided, That there shall be transferred from the special*



*account established pursuant to subsection (a) into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and used to make payments under informational media guaranties.*

## OTHER PROVISIONS OF EXISTING LAW REFERRED TO IN THE PROPOSED BILL

### AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 (7 U. S. C. 1691 ET SEQ.)

AN ACT To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954".*

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States.

### TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities;

(b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation;

(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act.

SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder to domestic exporters surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price-support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities, whether from private stocks or from stocks of the Commodity Credit Corporation. In



supplying such commodities to exporters under this subsection the Commodity Credit Corporation shall not be subject to the sales price restrictions in section 407 of the Agricultural Act of 1949, as amended. The commodity set-aside established for any commodity under section 101 of the Agricultural Act of 1954 (68 Stat. 897) shall be reduced by a quantity equal to the quantity of such commodity financed hereunder which is exported from private stocks.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$1,500,000,000. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)).

*Provided, however,* That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

SEC. 106. As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture. The Secretary of Agriculture is also authorized to determine the nations with whom agreements shall be negotiated, and to determine the commodities and quantities thereof which may be included in the negotiations with each country after advising with other agencies of Government affected and within broad policies laid down by the President for implementing this Act.

SEC. 107. As used in this Act, "friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this Act at least once each six months and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold.

SEC. 109. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

## TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided,* That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

SEC. 203. Not more than \$300,000,000 (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

## TITLE III—GENERAL PROVISIONS

SEC. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest,



shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State."

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States."

SEC. 303. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs, he is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private trade channels, such barter or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barter or exchanges. Agencies of the United States Government procuring such materials, goods or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.



The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

SEC. 305. All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America.

## SECTIONS 111 (B) (3) AND 111 (C) (2) OF THE ECONOMIC COOPERATION ACT OF 1948 (22 U. S. C. 1509)

SEC. 111. (a) \* \* \*

\* \* \* \* \*

(b) In order to facilitate and maximize the use of private channels of trade, subject to adequate safeguards to assure that all expenditures in connection with such procurement are within approved programs in accordance with terms and conditions established by the Administrator, he may provide for the performance of any of the functions described in subsection (a) of this section—

(1) \* \* \*

\* \* \* \* \*

(3) by making, under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects, including expansion, modernization, or development of existing enterprises, approved by the Administrator and the participating country concerned as furthering the purposes of this title (including guaranties of investments in enterprises producing or distributing informational media consistent with the national interests of the United States: *Provided*, That the amount of such guaranties made in any fiscal year does not exceed \$10,000,000), which guaranties shall be limited to terms not exceeding twenty years from the date of issuance: *Provided, That*—

(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator plus actual earnings or profits on said project to the extent provided by such guaranty;

(ii) the Administrator shall charge a fee in an amount determined by him not exceeding 1 per centum per annum of the amount of each guaranty under clause (1) of subparagraph (v), and not exceeding 4 per centum per annum of the amount of each guaranty under clause (2) of such subparagraph, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph; and

(iii) as used in this paragraph, the term "person" means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

(iv) as used in this paragraph, the term "investment" includes (A) any contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of a loan or loans to any enterprise to be conducted within a participating country, (B) the purchase of a share of ownership in any such enterprise, (C) participation in royalties, earnings, or profits of any such enterprise, and (D) the furnishing of capital goods items and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made; and

(v) the guaranty to any person shall be limited to assuring one or both of the following: (1) The transfer into United States dollars of

other currencies, or credits in such currencies received by such person, as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof; and (2) the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the Administrator to have been lost to such person by reason of expropriation or confiscation by action of the government of a participating country. When any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency, credits, asset, or investment on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim, or cause of action existing in connection therewith.

It being the intent of the Congress that the guaranty herein authorized should be used to the maximum practicable extent and so administered as to increase the participation of private enterprise in achieving the purposes of this Act, the Administrator is authorized to issue guaranties up to a total of \$200,000,000: *Provided*, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, shall be available for allocation to other guaranties, the foregoing limitation notwithstanding. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which shall be issued under authority of paragraph (2) of subsection (c) of this section when necessary to discharge liabilities under any such guaranty.

(c) (1) \* \* \*

\* \* \* \* \*

(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. The Administrator is authorized to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding the aggregate \$1,000,000,000 (i) for the purpose of allocating funds to the Export-Import Bank of Washington under this paragraph during the period of one year following the date of enactment of this Act, and (ii) for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section until all liabilities arising under guaranties made pursuant to such paragraph (3) have expired or have been discharged. In addition to the amount of notes above authorized, the Administrator is authorized, for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section, to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$200,000,000 less any amount allocated prior to April 3, 1949, for such purpose, until all liabilities arising under guaranties made pursuant to this authorization have expired or been discharged. The notes hereinabove authorized shall be redeemable at the option of the Administrator before maturity in such manner as may be stipulated in such notes and shall have such maturity as may be determined by the Administrator with the approval of the Secretary of the Treasury. Each such note shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate of outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the note. Payment under this paragraph of the purchase price of such notes and repayments thereof by the Administrator shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington for assistance on credit terms under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of one year from the date of enactment of this Act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary



administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided*, That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

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### SECTION 3679 OF THE REVISED STATUTES (31 U. S. C. 665)

SEC. 3679. (a) No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law.

(b) No officer or employee of the United States shall accept voluntary service for the United States or employ personal service in excess of that authorized by law, except in cases of emergency involving the safety of human life or the protection of property.

(c) (1) Except as otherwise provided in this section, all appropriations or funds available for obligation for a definite period of time shall be so apportioned as to prevent obligation or expenditure thereof in a manner which would indicate a necessity for deficiency or supplemental appropriations for such period; and all appropriations or funds not limited to a definite period of time, and all authorizations to create obligations by contract in advance of appropriations, shall be so apportioned as to achieve the most effective and economical use thereof. As used hereafter in this section, the term "appropriation" means appropriations, funds, and authorizations to create obligations by contract in advance of appropriations.

(2) In apportioning any appropriation, reserves may be established to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriation was made available. Whenever it is determined by an officer designated in subsection (d) of this section to make apportionments and reapportionments that any amount so reserved will not be required to carry out the purposes of the appropriation concerned, he shall recommend the rescission of such amount in the manner provided in the Budget and Accounting Act, 1921, for estimates of appropriations.

(3) Any appropriation subject to apportionment shall be distributed by months, calendar quarters, operating seasons, or other time periods, or by activities, functions, projects, or objects, or by a combination thereof, as may be deemed appropriate by the officers designated in subsection (d) of this section to make apportionments and reapportionments. Except as otherwise specified by the officer making the apportionment, amounts so apportioned shall remain available for obligation, in accordance with the terms of the appropriation, on a cumulative basis unless reapportioned.

(4) Apportionments shall be reviewed at least four times each year by the officers designated in subsection (d) of this section to make apportionments and reapportionments, and such reapportionments made or such reserves established, modified, or released as may be necessary to further the effective use of the appropriation concerned, in accordance with the purposes stated in paragraph (1) of this subsection.

(d) (1) Any appropriation available to the legislative branch, the judiciary, or the District of Columbia, which is required to be apportioned under subsection (c) of this section, shall be apportioned or reapportioned in writing by the officer having administrative control of such appropriation. Each such appropriation shall be apportioned not later than thirty days before the beginning of the fiscal year for which the appropriation is available, or not more than thirty days after approval of the Act by which the appropriation is made available, whichever is later.



(2) Any appropriation available to an agency, which is required to be apportioned under subsection (c) of this section, shall be apportioned or reapportioned in writing by the Director of the Bureau of the Budget. The head of each agency to which any such appropriation is available shall submit to the Bureau of the Budget information, in such form and manner and at such time or times as the Director may prescribe, as may be required for the apportionment of such appropriation. Such information shall be submitted not later than forty days before the beginning of any fiscal year for which the appropriation is available, or not more than fifteen days after approval of the Act by which such appropriation is made available, whichever is later. The Director of the Bureau of the Budget shall apportion each such appropriation and shall notify the agency concerned of his action not later than twenty days before the beginning of the fiscal year for which the appropriation is available, or not more than thirty days after the approval of the Act by which such appropriation is made available, whichever is later. When used in this section, the term "agency" means any executive department, agency, commission, authority, administration, board, or other independent establishment in the executive branch of the Government, including any corporation wholly or partly owned by the United States which is an instrumentality of the United States. Nothing in this subsection shall be so construed as to interfere with the initiation, operation, and administration of agricultural price support programs and no funds (other than funds for administrative expenses) available for price support, surplus removal, and available under Section 32 of the Act of August 24, 1935, as amended (7 U. S. C. 612 (c)), with respect to agricultural commodities shall be subject to apportionment pursuant to this section. The provisions of this section shall not apply to any corporation which obtains funds for making loans, other than paid in capital funds, without legal liability on the part of the United States.

(e) (1) No apportionment or reapportionment which, in the judgment of the officer making such apportionment or reapportionment, would indicate a necessity for a deficiency or supplemental estimate shall be made except upon a determination by such officer that such action is required because of (A) any laws enacted subsequent to the transmission to the Congress of the estimates for an appropriation which require expenditures beyond administrative control; or (B) emergencies involving the safety of human life, the protection of property, or the immediate welfare of individuals in cases where an appropriation has been made to enable the United States to make payment of, or contributions toward, sums which are required to be paid to individuals either in specific amounts fixed by law or in accordance with formulae prescribed by law.

(2) In each case of an apportionment or a reapportionment which, in the judgment of the officer making such apportionment or reapportionment, would indicate a necessity for a deficiency or supplemental estimate, such officer shall immediately submit a detailed report of the facts of the case to the Congress. In transmitting any deficiency or supplemental estimates required on account of any such apportionment or reapportionment, reference shall be made to such report.

(f) (1) The officers designated in subsection (d) of this section to make apportionments and reapportionments may exempt from apportionments trust funds and working funds expenditures from which have no significant effect on the financial operations of the Government, working capital and revolving funds established for intragovernmental operations, receipts from industrial and power operations available under law and any appropriation made specifically for—

- (1) interest on, or retirement of, the public debt;
- (2) payment of claims, judgments, refunds, and draw-backs;
- (3) any item determined by the President to be of a confidential nature;
- (4) payment under private relief Acts or other laws requiring payments to designated payees in the total amount of such appropriation;
- (5) grants to the States under title I, IV, or X of the Social Security Act, or under any other public assistance title in such Act.

(2) The provisions of subsection (c) of this section shall not apply to appropriations to the Senate or House of Representatives or to any Member, committee, Office (including the office of the Architect of the Capitol), officer, or employee thereof.

(g) Any appropriation which is apportioned or reapportioned pursuant to this section may be divided and subdivided administratively within the limits of such apportionments or reapportionments. The officer having administrative control of any such appropriation available to the legislative branch, the judiciary, or the District of Columbia, and the head of each agency, subject to the approval of the Director of the Bureau of the Budget, shall prescribe, by regulation, a system of

administrative control (not inconsistent with any accounting procedures prescribed by or pursuant to law) which shall be designed to (A) restrict obligations or expenditures against each appropriation to the amount of apportionments or reapportionments made for each such appropriation, and (B) enable such officer or agency head to fix responsibility for the creation of any obligation or the making of any expenditure in excess of an apportionment or reapportionment.

(h) No officer or employee of the United States shall authorize or create any obligation or make any expenditure (A) in excess of an apportionment or reapportionment, or (B) in excess of the amount permitted by regulations prescribed pursuant to subsection (g) of this section.

(i) (1) In addition to any penalty or liability under other law, any officer or employee of the United States who shall violate subsection (a), (b), or (h) of this section shall be subjected to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office; and any officer or employee of the United States who shall knowingly and willfully violate subsection (a), (b), or (h) of this section shall, upon conviction, be fined not more than \$5,000 or imprisoned for not more than two years, or both.

(2) In the case of a violation of subsection (a), (b), or (h) of this section by an officer or employee of an agency, or of the District of Columbia, the head of the agency concerned or the Commissioners of the District of Columbia, shall immediately report to the President, through the Director of the Bureau of the Budget, and to the Congress all pertinent facts together with a statement of the action taken thereon.

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#### SECTION 3732 OF THE REVISED STATUTES (41 U. S. C. 11)

SEC. 3732. No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment, except in the Army, Navy and Air Force Departments, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year.

#### SECTION 15 OF THE ACT OF AUGUST 2, 1946 (5 U. S. C. 55A)

SEC. 15. The head of any department, when authorized in an appropriation or other Act, may procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, and in such cases such service shall be without regard to the civil-service and classification laws (but as to agencies subject to the Classification Act at rates not in excess of the per diem equivalent of the highest rate payable under the Classification Act, unless other rates are specifically provided in the appropriation or other law) and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended by this Act.

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#### SECTION 2. PUBLIC LAW 495, 83D CONGRESS

SEC. 2. The Secretary is authorized to provide for the recovery, care and disposition of the remains of persons within the classes enumerated in section 3 hereof and, incident thereto, to pay the necessary expenses incurred for (a) notification to the next of kin or other appropriate person; (b) recovery and identification of remains; (c) preparation of remains for burial (including cremation of remains, upon request of the person recognized as the one to direct the disposition of the remains); (d) furnishing of a casket or urn, or both, with outside box; (e) hearse service; (f) funeral director's services; (g) transportation of remains and an escort of one person, including round-trip transportation and prescribed allowances for such escort, to the town or city, or national or other cemetery, designated by the person recognized as the person to direct the disposition of the remains or, in the absence of such designation, to a national or other cemetery designated by the Secretary in which burial of the decedent is authorized; (h) furnishing of a uniform or other articles of clothing; (i) presentation of a flag of the United States to the person recognized as the one to direct the dis-

position of the remains, except that the presentation of a flag shall not be authorized in the case of a military prisoner who dies while in his custody and whose sentence includes a discharge other than honorable; and (j) interment of remains.

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## SECTION 902 OF THE FOREIGN SERVICE ACT OF 1946

### ALLOTMENT FOR OFFICIAL RESIDENCE OF CHIEF AMERICAN REPRESENTATIVE

SEC. 902. The Secretary may, under such regulations as he may prescribe, make an allotment of funds to any post to defray the unusual expenses incident to the operation and maintenance of an official residence suitable for the chief representative of the United States at that post.



## SUPPLEMENTAL VIEWS

We feel that the entire mutual security program is long overdue for review. It has been estimated that the net cost of United States aid abroad since the end of World War II, including the administration's requested authorization for fiscal 1957, is well in excess of \$60 billion. Of this, approximately one-third has been in military aid and two-thirds in other forms. About 60 percent has gone to Europe, roughly 10 percent to the Middle East, nearly 25 percent to Asia, and the remainder to other areas.

In spite of these vast outlays of the past, the Administration increased its request for funds this year. According to the Joint Committee on Non-essential Federal Expenditures, the program's unexpended balance as of July 1, 1956, will be about \$6.6 billion. Added to the administration's requested authorization of \$4.6 billion, this would give a total of \$11.2 billion. Expenditures during the coming fiscal year have been estimated at \$4.3 billion, which would result in an unexpended balance at the end of fiscal 1957 of almost \$7 billion or an increase in the so-called pipeline of about \$400 million.

We commend the Committee on Foreign Affairs for reducing the administration request by approximately \$1.1 billion. Not only did we vote for these reductions, but the amendments that made most of these cuts possible we initiated and argued for during the committee's consideration.

Frankly, we feel that the reduction in foreign military assistance could have been deeper without crippling the program. However, as Chairman Richards said in his statement of April 27, "\* \* \* the Congress may well regard the pending Mutual Security bill as only an interim measure". Therefore, with nearly two years' funds already in the pipeline at normal rate of expenditure, we believe that the sums recommended in this bill are ample until we know more about the direction in which the program will move and the emphasis that will be given to the various components of it.

We are also opposed to the inclusion of certain so-called neutralist countries such as Yugoslavia and India. In the first instance, Yugoslavia, a Communist country, has been drawing closer and closer to the Soviet orbit since the death of Stalin. We are opposed to aid to any Communist dictator as a matter of principle and we do not feel that the United States has any assurance that Tito would be on our side or would even remain neutral in the event of another war.

India, although only receiving economic assistance, also appears to be swinging more and more into line with Communist thinking. On almost all issues of foreign policy, she follows the Soviet and Chinese Communist line quite closely. Although the United States has given or loaned to India since 1950 nearly \$600 million, the United States has not achieved gratitude, friendship, cooperation or even genuine neutrality. We feel that our foreign policy, of which foreign aid is an arm, has failed in this instance.

The real danger in continuing to help such countries as India and Yugoslavia is the attraction which the United States places on neutralism, even of a technical variety. If the United States desires to win and to hold allies, it should not make it so advantageous or profitable for a country to be neutral. There is a very definite trend toward neutrality in the world today and this country appears to do nothing to discourage it.

We commend the committee for rejecting the concept of specific long-term commitments in the field of economic assistance which we think would have been a grave mistake if adopted. We also commend both the committee and the administration for not acting to channel a larger part of our economic assistance through the United Nations. Aid on a multilateral basis may be desirable in certain areas of the world on a limited basis, but in our opinion it would be inadvisable to remove all strings from large parts of our aid program at the present time.

We hope that much more emphasis can be placed upon doing all in our power to promote the use of American private investment capital abroad. Much more could and should be done to eliminate conditions in foreign countries where the atmosphere is presently hostile to such investment. Consideration might also be given to making counterpart funds available on a loan basis to American investors desirous of making foreign investments.

The Foreign Affairs Committee has improved this legislation to a point where we will be able to support it, although with specific reservations which we have attempted briefly to set forth. At the same time, we reserve the right to support any efforts on the floor of the House that will implement our views. We believe a mutual security program is necessary but feel very strongly that the Congress should never cease its efforts to improve the program.

ALVIN M. BENTLEY,  
ARMISTEAD I. SELDEN, Jr.









Union Calendar No. 825

84<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 11356

[Report No. 2213]

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## IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1956

Mr. RICHARDS introduced the following bill; which was referred to the Committee on Foreign Affairs

MAY 25, 1956

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

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## A BILL

To amend further the Mutual Security Act of 1954, as amended,  
and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Mutual Security Act of  
4       1956".

5       SEC. 2. Title I, chapter 1, of the Mutual Security Act  
6       of 1954, as amended, which relates to military assistance,  
7       is further amended as follows:

8       (a) In section 103 (a), which relates to authorizations,  
9       add the following new paragraph:

10       “(3) In addition, there is hereby authorized to be

1 appropriated to the President to carry out the purposes of  
2 this chapter not to exceed \$1,925,000,000, of which not less  
3 than \$48,000,000 shall be used to provide assistance to Spain  
4 and not more than \$402,000,000 may be used to provide  
5 assistance to other European countries, and which shall re-  
6 main available until expended.”

7 (b) In section 105, strike out subsections (c) and (d).

8 SEC. 3. Title I, chapter 3, of the Mutual Security Act  
9 of 1954, as amended, which relates to defense support, is  
10 further amended by substituting a semicolon for the period  
11 after “Asia” in subsection (c) of section 131 and inserting  
12 thereafter the following:

13 “and for the fiscal year 1957 not to exceed—

14 “(1) \$63,700,000 for Europe (excluding Greece  
15 and Turkey) ;

16 “(2) \$170,000,000 for the Near East (including  
17 Greece and Turkey) and Africa;

18 “(3) \$882,000,000 for Asia; and

19 “(4) \$32,000,000 for Latin America.

20 “Funds made available under paragraph (4) may be  
21 used to furnish assistance designed to sustain and increase  
22 military or internal defense efforts, and may be used without  
23 regard to the requirements of sections 141 and 142 in the  
24 case of any nation which is a party to the Inter-American  
25 Treaty of Reciprocal Assistance and which has adhered to



1 the resolution of 1954 entitled 'Declaration of Solidarity  
2 for the Preservation of the Political Integrity of the Ameri-  
3 can States against the Intervention of International Com-  
4 munism'."

5 SEC. 4. Title II of the Mutual Security Act of 1954, as  
6 amended, which relates to development assistance, is  
7 amended by striking out sections 201 and 202 and sub-  
8 stituting the following new section:

9 "SEC. 201. AUTHORIZATION.—(a) In addition to the  
10 funds heretofore appropriated pursuant to the provisions of  
11 sections 201 and 418 of this Act as in effect prior to the  
12 enactment of the Mutual Security Act of 1956, which  
13 funds shall remain available for their original purposes in  
14 accordance with the provisions of law originally applicable  
15 thereto, there is hereby authorized to be appropriated to the  
16 President not to exceed \$243,000,000, to remain available  
17 until June 30, 1960, for assistance designed to promote the  
18 economic development of free Asia, the Middle East, and  
19 Africa, based on self-help and mutual cooperation of friendly  
20 nations, and to maintain economic and political stability in  
21 these areas.

22 "(b) The President is authorized to utilize the funds  
23 hereafter made available for purposes of this title to ac-  
24 complish in these areas policies and purposes declared in  
25 this Act, and to disburse them on such terms and condi-

1 tions, including transfer of funds, as he may specify: *Pro-*  
2 *vided*, That such assistance shall only be available on terms  
3 of repayment, except (1) when such funds are used to  
4 finance sales of surplus agricultural commodities under sec-  
5 tion 402, or (2) when granted for the purpose of a regional  
6 project involving two or more beneficiary nations: *And*  
7 *provided further*, That not more than 25 per centum of any  
8 funds hereafter made available for purposes of this title shall  
9 be used in furnishing assistance to any one nation (including  
10 bilateral assistance furnished to such nation as well as such  
11 nation's proportionate share of assistance furnished for re-  
12 gional projects in which it is involved).

13 “(c) To be eligible for bilateral assistance from funds  
14 hereafter made available for purposes of this title, a nation  
15 shall have entered into a written agreement, satisfactory  
16 to the President, to permit participation by private enter-  
17 prise in the accomplishment of any of the purposes of this  
18 Act in conformance with the provisions of section 413, which  
19 relates to encouragement of free enterprise and private par-  
20 ticipation.

21 “(d) Funds made available under this title may be  
22 used for expenses (other than those provided for under  
23 section 411 (c) of this Act) to assist in carrying out func-  
24 tions under the Agricultural Trade Development and Assist-

1   ance Act of 1954, as amended (7 U. S. C. 1691 and the  
2   following), delegated or assigned to any agency or officer  
3   administering nonmilitary assistance.”

4       SEC. 5. Title III of the Mutual Security Act of 1954,  
5   as amended, which relates to technical cooperation, is further  
6   amended as follows:

7       (a) In section 304 (b), which relates to authorization,  
8   after “\$146,500,000”, insert “, and for the fiscal year 1957  
9   not to exceed \$140,500,000,”.

10      (b) In section 306, which relates to multilateral tech-  
11   nical cooperation:

12      (1) In subsection (a), which relates to contributions  
13   to the United Nations Expanded Program of Technical As-  
14   sistance, strike out all following “1956” and substitute “, and  
15   \$15,500,000 for the fiscal year 1957, for such contributions;”.

16      (2) In subsection (b), which relates to contributions  
17   to the technical cooperation programs of the Organization of  
18   American States, strike out all following “1956” and substi-  
19   tute “, and \$1,500,000 for the fiscal year 1957, for such  
20   contributions.”.

21      (c) In section 307, which relates to advances, grants,  
22   and contracts, strike out all following “Congress,” in the last  
23   sentence thereof and substitute “extend at any time for not  
24   more than three years.”.



1        SEC. 6. Title IV of the Mutual Security Act of 1954, as  
2 amended, which relates to other programs, is further amended  
3 as follows:

4        (a) Amend section 401, which relates to special fund,  
5 as follows:

6        (1) In the first sentence of subsection (a), strike out  
7 “\$50,000,000” and substitute “\$150,000,000”; and in the  
8 last sentence of such subsection strike out “\$20,000,000”  
9 and substitute “\$30,000,000”.

10       (2) In subsection (b), after “\$100,000,000”, insert  
11 “, and for the fiscal year 1957 not to exceed \$100,000,000,”.

12       (b) In section 402, which relates to earmarking of  
13 funds, after “\$300,000,000”, insert “, and of the funds so  
14 authorized for the fiscal year 1957 not less than  
15 \$250,000,000,”.

16       (c) In section 403 (b), which relates to special assist-  
17 ance in joint control areas, after “\$21,000,000”, insert “,  
18 and for the fiscal year 1957 not to exceed \$12,200,000,”.

19       (d) Amend section 405, which relates to migrants,  
20 refugees, and escapees, as follows:

21       (1) In subsection (c), after “\$1,400,000”, insert “, and  
22 for the fiscal year 1957 not to exceed \$2,300,000,”.

23       (2) In subsection (d), after “\$6,000,000”, insert “,  
24 and for the fiscal year 1957 not to exceed \$7,000,000,”.

25       (e) In section 406 (b), which relates to children's wel-

1 fare, after “\$14,500,000”, insert “, and for the fiscal year  
2 1957 not to exceed \$10,000,000,”.

3 (f) In section 407 (b) which relates to Palestine ref-  
4 ugees in the Near East, strike out “for the fiscal year 1956”.

5 (g) Amend section 409, which relates to ocean freight  
6 charges, as follows:

7 (1) In subsection (c), after “\$2,000,000” in the last  
8 sentence thereof, insert “, and for the fiscal year 1957 not  
9 to exceed \$1,400,000,”.

10 (2) In subsection (d), after “\$13,000,000” in the first  
11 sentence thereof, insert “, and for the fiscal year 1957 not  
12 to exceed \$14,000,000,”.

13 (h) In section 410, which relates to Control Act ex-  
14 penses, after “\$1,175,000,” in the first sentence thereof, in-  
15 sert “and for the fiscal year 1957 not to exceed  
16 \$1,175,000,”.

17 (i) Amend section 411, which relates to administra-  
18 tive and other expenses, as follows:

19 (1) In subsection (b), strike out all that follows “\$35,-  
20 225,000,” and insert “and for the fiscal year 1957 not to  
21 exceed \$35,250,000, for necessary administrative expenses  
22 incident to carrying out the provisions of this Act (other  
23 than chapter 1 of title I and section 124).”.

24 (2) Redesignate subsection “(c)” as subsection “(e)”,

1 and insert after subsection (b) the following new sub-  
2 sections:

3 “(c) Not to exceed \$1,500,000 of funds made available  
4 under title II may be transferred in the fiscal year 1957  
5 for necessary administrative expenses not otherwise pro-  
6 vided for incident to carrying out functions under the Agri-  
7 cultural Trade Development and Assistance Act of 1954, as  
8 amended (7 U. S. C. 1691 and the following), delegated  
9 or assigned to any agency or officer administering nonmili-  
10 tary assistance, and the amounts so transferred shall be con-  
11 solidated with funds made available pursuant to this section  
12 for said fiscal year.

13 “(d) There are authorized to be appropriated to the  
14 Department of State such amounts as may be necessary  
15 from time to time for administrative expenses which are in-  
16 curred for normal functions of the Department which relate  
17 to functions under this Act.”

18 (j) In section 413 (b) (2), after “to encourage and  
19 facilitate the flow of private investment to”, insert “, and its  
20 equitable treatment in,”.

21 (k) Amend section 413 (b) (4) as follows:

22 (1) After “may make”, insert “, through the Interna-  
23 tional Cooperation Administration”.

24 (2) Substitute “June 30, 1967” for “June 30, 1957”.

25 (3) In subparagraph (B) (ii), before the semicolon



1 at the end thereof, insert “or by reason of war, revolution,  
2 or insurrection”.

3 (4) Amend subparagraph (F) to read as follows:

4 “(F) the President is authorized to issue guaranties  
5 up to a total face value of \$500,000,000 exclusive of  
6 informational media guaranties heretofore and hereafter  
7 issued pursuant to section 1011 of the Act of January  
8 27, 1948, as amended (22 U. S. C. 1442), and section  
9 111 (b) (3) of the Economic Cooperation Act of 1948,  
10 as amended (22 U. S. C. 1509 (b) (3)) : *Provided*,  
11 That any funds allocated to a guaranty and remaining  
12 after all liability of the United States assumed in con-  
13 nection therewith has been released, discharged, or  
14 otherwise terminated, and funds realized after June 30,  
15 1955, from the sale of currencies or other assets acquired  
16 pursuant to subparagraph (C), shall be available for  
17 allocation to other guaranties, and the foregoing limi-  
18 tation shall be increased to the extent that such funds  
19 become available. Any payments made to discharge  
20 liabilities under guaranties issued under this paragraph  
21 shall be paid out of fees collected under subparagraph  
22 (E) as long as such fees are available, and thereafter  
23 shall be paid out of funds realized from the sale of cur-  
24 rencies or other assets acquired pursuant to sub-

paragraph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: *Provided*, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: *Provided further*, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to

the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2)."

(l) Amend section 415, which relates to assistance to international organization, as follows:

(1) Change "ORGANIZATION" in the title to "ORGANIZATIONS".

(2) After "the North Atlantic Treaty Organization", insert "and the Organization for European Economic Cooperation".

(m) Repeal section 418, which relates to President's Fund for Asian Economic Development.

(n) Add the following new section:

"SEC. 420. FOOD AND AGRICULTURE ORGANIZATION.—Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking out the figure '\$2,000,000' in section 2 thereof and inserting in lieu thereof the figure '\$3,000,000'."

SEC. 7. The Mutual Security Act of 1954, as amended, is further amended by inserting immediately after the first section thereof and before title I the following new section:

"SEC. 2. STATEMENT OF POLICY.—The Congress of



1 the United States, recognizing that the peace of the world  
2 and the security of the United States are endangered as long  
3 as international communism and the nations it controls con-  
4 tinue by threat of military action, use of economic pressure,  
5 internal subversion, or other means to attempt to bring under  
6 their domination peoples now free and independent and con-  
7 tinue to deny the rights of freedom and self-government to  
8 peoples and nations once free but now subject to such  
9 domination, declares it to be the policy of the United States  
10 to continue as long as such danger to the peace of the world  
11 and to the security of the United States persists to make  
12 available to free nations and peoples upon request assistance  
13 of such nature and in such amounts as the United States is  
14 able to provide compatible with its own stability, strength,  
15 and other obligations, and as may be needed and effectively  
16 used by such free nations and peoples to help them maintain  
17 their freedom."

18 SEC. 8. Title V, chapter 1, of the Mutual Security Act  
19 of 1954, as amended, which relates to general provisions, is  
20 further amended as follows:

21 (a) In section 501, which relates to transferability of  
22 funds, strike out the last two sentences and insert in lieu  
23 thereof the following: "Any funds transferred under this sec-  
24 tion for the purpose of furnishing assistance under section  
25 201 shall be available only for furnishing assistance on terms

1 of repayment in accordance with section 505, for furnish-  
2 ing surplus agricultural commodities under section 402, or  
3 for making grants for regional projects involving two or  
4 more beneficiary nations.”

5 (b) In section 507, which relates to availability of  
6 funds, after “students),”, insert “and other provisions of this  
7 Act,”.

8 (c) In section 509, which relates to shipping on United  
9 States vessels, after “this Act” in the last sentence thereof,  
10 insert “or the Agricultural Trade Development and Assist-  
11 ance Act of 1954, as amended (7 U. S. C. 1691 and the  
12 following),”.

13 SEC. 9. Title V, chapter 2, of the Mutual Security Act  
14 of 1954, as amended, which relates to organization and  
15 administration, is further amended as follows:

16 (a) In section 521, which relates to delegation of author-  
17 ity by the President, after “subsection (b)” in subsection  
18 (a), insert “and section 413 (b) (4)”.

19 (b) Amend section 522, which relates to allocation and  
20 reimbursement among agencies, as follows:

21 (1) Add the following at the end of subsection (b):  
22 “The Administrator of General Services is authorized to  
23 maintain in a separate consolidated account, which shall be  
24 free from fiscal year limitations, payments received by the

1 General Services Administration for administrative sur-  
2 charges in connection with procurement services performed  
3 by the General Services Administration in furtherance of the  
4 purposes of this Act. Such payments shall be in amounts  
5 mutually acceptable to the General Services Administration  
6 and the agency administering nonmilitary assistance, and  
7 these amounts shall be available for administrative expenses  
8 incurred by the General Services Administration in perform-  
9 ing such procurement services.”

10 (2) Add the following new subsection:

11 “(f) Any appropriation made to carry out the pro-  
12 visions of this Act may initially be charged, within the limits  
13 of available funds, to finance expenses for which funds are  
14 available in other appropriations made under this Act: *Pro-*  
15 *vided*, That as of the end of the same fiscal year such ex-  
16 penses shall be finally charged to applicable appropriations  
17 with proper credit to the appropriations initially utilized  
18 for financing purposes.”

19 (c) In section 530, which relates to experts and con-  
20 sultants or organizations thereof, insert before the period  
21 at the end of subsection (a) the following: “: *Provided*,  
22 That contracts for such employment with such organizations  
23 may be renewed annually”.

24 (d) In section 532, which relates to exemption of per-  
25 sonnel from certain Federal laws, add the following at the



1 end of subsection (a) : "Contracts for the employment of  
2 retired military personnel as experts or consultants under  
3 section 530 (a) may be renewed annually, notwithstanding  
4 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a)."

5 (e) Amend section 535, which relates to cooperation  
6 with international organizations, as follows:

7 (1) Insert "NATIONS AND" after "WITH" in the  
8 title.

9 (2) Amend subsection (b) to read as follows:

10 "(b) Whenever the President determines it to be in fur-  
11 therance of the purposes of this Act, United States Govern-  
12 ment agencies, on request of international organizations, are  
13 authorized to furnish supplies, materials, and services, and on  
14 request of nations, are authorized to furnish nonmilitary sup-  
15 plies, materials, and services, to such organizations and na-  
16 tions on an advance of funds or reimbursement basis. Such  
17 advances, or reimbursements which are received under this  
18 subsection within one hundred eighty days after the close of  
19 the fiscal year in which such supplies, materials, and services  
20 are delivered, may be credited to the current applicable ap-  
21 propriation or fund of the agency concerned and shall be  
22 available for the purposes for which such appropriations and  
23 funds are authorized to be used."

24 (f) Add the following new section:

1       “SEC. 537. PROVISIONS ON USES OF FUNDS.—

2       “(a) Appropriations for the purposes of this Act (except  
3 for chapter 1 of title I and section 124), allocations to any  
4 United States Government agency, from other appropriations,  
5 for functions directly related to the purposes of this Act,  
6 and funds made available for other purposes to any agency  
7 administering nonmilitary assistance, shall, except as may  
8 subsequently be otherwise provided by law, be available for  
9 the purposes specified in section 102 of the Mutual Security  
10 Appropriation Act, 1956 (subject each fiscal year to the  
11 limitations on the amounts of funds which can be used for  
12 such purposes), in section 2 of Public Law 495, Eighty-third  
13 Congress (with respect to the remains of persons or members  
14 of the families of persons who may die while away from  
15 their homes participating in activities under this Act or  
16 other Acts directly related to the purposes of this Act), and  
17 in section 902 of the Foreign Service Act of 1946, as amended  
18 (with respect to chiefs of mission appointed pursuant to  
19 section 526 of this Act), and for the purchase of passenger  
20 motor vehicles: *Provided*, That passenger motor vehicles for  
21 administrative purposes may be purchased only as specified  
22 in section 102 of the Mutual Security Appropriation Act,  
23 1956, or as specifically otherwise provided by law.

24       “(b) United States Government agencies are authorized

1 to pay the costs of health and accident insurance for foreign  
2 participants in any exchange-of-persons program or any  
3 program of furnishing technical information and assistance  
4 administered by any such agency while such participants  
5 are en route or absent from their homes for purposes of  
6 participation in any such program.”

7 SEC. 10. Title V, chapter 3, of the Mutual Security  
8 Act of 1954, as amended, which relates to repeal and mis-  
9 cellaneous provisions, is further amended as follows:

10 (a) Amend section 544, which relates to amendments  
11 to other laws, by adding the following new subsections:

12 “(c) In section 4 of the Act of May 26, 1949 (63  
13 Stat. 111, 5 U. S. C. 151c), insert after the words ‘such  
14 functions’ the following: ‘, including if he shall so specify  
15 the authority successively to redelegate any of such func-  
16 tions,’.

17 “(d) In the first sentence of section 32 (b) (2) of the  
18 Surplus Property Act of 1944, as amended (50 U. S. C.  
19 App. 1641 (b) (2) ), after ‘any agency thereof’, insert  
20 ‘including amounts received in repayment of principal or  
21 interest on any loan made under section 505 (b) of the  
22 Mutual Security Act of 1954, as amended’.

23 “(e) Section 933 of the Foreign Service Act of 1946,  
24 as amended (22 U. S. C. 1148), is hereby amended by



1 inserting after 'continental United States' where it appears  
2 in both subsection (a) and subsection (b) of that section  
3 ' , its Territories and possessions,'.

4 " (f) Section 1441 (c) of the Internal Revenue Code  
5 of 1954 is hereby amended by inserting after paragraph (5)  
6 the following new paragraph:

7 " ' (6) PER DIEM OF CERTAIN ALIENS.—No deduc-  
8 tion or withholding under subsection (a) shall be re-  
9 quired in the case of amounts of per diem for subsistence  
10 paid by the United States Government (directly or by  
11 contract) to any non-resident alien individual who is  
12 engaged in any program of training in the United States  
13 under the Mutual Security Act of 1954, as amended.'

14 " (g) Section 1011 of the United States Information and  
15 Educational Exchange Act of 1948, as amended (22 U. S. C.  
16 1442) , is amended by inserting '(a)' before 'The Director',  
17 by deleting everything after the words 'national interests  
18 of the United States', by inserting a period at that point,  
19 and by inserting the following new subsections:

20 " ' (b) The Director is authorized to assume the obliga-  
21 tion of not to exceed \$28,000,000 of the notes authorized  
22 to be issued pursuant to subsection 111 (c) (2) of the  
23 Economic Cooperation Act of 1948, as amended (22  
24 U. S. C. 1509 (c) (2) ) , together with the interest accrued  
25 and unpaid thereon, and to obtain advances from time to

1 time from the Secretary of the Treasury up to such amount,  
2 less amounts previously advanced on such notes, as provided  
3 for in said notes. Such advances shall be deposited in a  
4 special account in the Treasury available for payments  
5 under informational media guaranties.

6 “ ‘(c) The Director is authorized to make informational  
7 media guaranties without regard to the limitations of time  
8 contained in subsection 413 (b) (4) of the Mutual Se-  
9 curity Act of 1954, as amended (22 U. S. C. 1933 (b)  
10 (4) ), but the total of such guaranties outstanding at any  
11 one time shall not exceed the sum of the face amount of  
12 the notes assumed by the Director less the amounts pre-  
13 viously advanced on such notes by the Secretary of the  
14 Treasury plus the amount of the funds in the special account  
15 referred to in subsection (b) .

16 “ ‘(d) Foreign currencies available after June 30,  
17 1955, from conversions made pursuant to the obligation of  
18 informational media guaranties may be sold, in accordance  
19 with Treasury Department regulations, for dollars which  
20 shall be deposited in the special account and shall be avail-  
21 able for payments under new guaranties.

22 “ ‘(e) Notwithstanding the provisions of subparagraph  
23 413 (b) (4) (E) of the Mutual Security Act of 1954, as  
24 amended (22 U. S. C. 1933 (b) (4) (E) ), (1) fees  
25 collected for the issuance of informational media guaranties

1 shall be deposited in the special account and shall be avail-  
2 able for payments under informational media guaranties;  
3 and (2) the Director may require the payment of a mini-  
4 mum charge of up to fifty dollars for issuance of guaranty  
5 contracts, or amendments thereto.

6 “ ‘(f) The Director is further authorized, under such  
7 terms as he may prescribe, to make advance payments  
8 under informational media guaranties: *Provided*, That cur-  
9 rencies receivable from holders of such guaranties on account  
10 of such advance payments shall be paid to the United  
11 States within nine months from the date of the advance  
12 payment and that appropriate security to assure such pay-  
13 ments is required before any advance payment is made.

14 “ ‘(g) As soon as feasible after the enactment of this  
15 subsection, all assets, liabilities, income, expenses, and charges  
16 of whatever kind pertaining to informational media guar-  
17 anties, including any charges against the authority to issue  
18 notes provided in section 111 (c) (2) of the Economic  
19 Cooperation Act of 1948, as amended, cumulative from the  
20 enactment of that Act, shall be accounted for separately from  
21 other guaranties issued pursuant to subsection 413 (b) of  
22 the Mutual Security Act of 1954, as amended (22 U. S. C.  
23 1933 (b) ) : *Provided*, That there shall be transferred from  
24 the special account established pursuant to subsection (a),  
25 into the account available for payments under guaranties



1 other than informational media guaranties, an amount equal  
 2 to the total of the fees received for the issuance of guar-  
 3 anties other than informational media guaranties, and used  
 4 to make payments under informational media guaranties.’”

5 (b) Amend section 545, which relates to definitions, as  
 6 follows:

7 (1) Add at the end of subsection (h) the following:  
 8 “Notwithstanding the foregoing provisions of this subsection  
 9 (h) and for the purpose of establishing a more equitable  
 10 pricing system for transactions between the military depart-  
 11 ments and the Mutual Defense Assistance Program, the  
 12 Secretary of Defense shall prescribe at the earliest practicable  
 13 date, through appropriate pricing regulations of uniform ap-  
 14 plicability, that the term ‘value’ (except in the case of excess  
 15 equipment or materials) shall mean—

16 “(1) the price of equipment or materials obtaining  
 17 for similar transactions between the Armed Forces of  
 18 the United States; or

19 “(2) where there are no similar transactions within  
 20 the meaning of paragraph (1), the gross cost to the  
 21 United States adjusted as appropriate for condition and  
 22 market value.”

23 (2) Add the following new subsections:

24 “(j) The term ‘agency administering nonmilitary assist-  
 25 ance’ shall refer to any agency to which authorities and func-

tions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

“(k) The term ‘officer administering nonmilitary assistance’ shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.”

(c) In section 548, which relates to unexpended balances, strike out “heretofore”, substitute “1957” for “1956”, and strike out the colon and the remainder of the sentence following “Act” the second time it appears and insert a period.

(d) Add the following new section:

“SEC. 550. SPECIAL PROVISION ON AVAILABILITY OF FUNDS.—An amount equal to 25 per centum of the funds authorized to be appropriated for any fiscal year for purposes of chapter 3 of title I, title III, or section 403 of this Act is authorized to be continued available for three months beyond the end of the fiscal year for which appropriated.”

#### FOREIGN RESEARCH REACTOR PROJECTS

SEC. 11. (a) As one means of furthering peaceful uses of atomic energy on an international basis, there is hereby authorized to be appropriated to the President for the fiscal year 1957 not to exceed \$5,950,000 for use by the Presi-

1 dent, on such terms and conditions as he may specify, for  
2 research reactor projects undertaken or authorized by foreign  
3 governments which shall have entered into agreements for  
4 cooperation with the Government of the United States con-  
5 cerning the peaceful uses of atomic energy.

6 (b) Nothing in this section shall alter, amend, revoke,  
7 repeal, or otherwise affect the provisions of the Atomic  
8 Energy Act of 1954.

9 (c) The United States share of the cost of any reactor  
10 made available to another government or to other govern-  
11 ments shall not exceed \$350,000.

12 (d) In carrying out the purposes of this section the  
13 Director, the Atomic Energy Commission, and other United  
14 States departments and agencies shall give full and con-  
15 tinuous publicity through the press, radio, and all other  
16 available media, so as to inform the peoples of the par-  
17 ticipating countries regarding the assistance, including its  
18 purpose, source, and character, furnished by the United  
19 States. Such portions of the equipment furnished under  
20 this section as may be appropriately die-stamped as a  
21 product of the United States shall be so stamped.



84<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

H. R. 11356

[Report No. 2213]

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# A BILL

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To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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By Mr. RICHARDS

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MAY 22, 1956

Referred to the Committee on Foreign Affairs

MAY 25, 1956

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued May 31, 1956  
For actions of May 29, 1956  
68th-2nd, p. 89

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HIGHLIGHTS: Both Houses agreed to conference report on USDA appropriation bill. Ready for President. House conferees appointed on Interior appropriation bill. House passed Legislative appropriation bill. Rep. Vursell commended USDA research on poultry production and care. House received USDA proposed bill to authorize certain (continued on page 6)

## HOUSE

1. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 11177, the agricultural appropriation bill for 1957 (pp. 8301, 8245). The House concurred in the Senate amendment making \$1,250,000 immediately available for control and eradication of the Mediterranean fruitfly, with a technical amendment (p. 8246). The Senate then concurred in the technical amendment (p. 8301). This bill is now ready for the President.

Conferees were appointed on H. R. 9390, the Interior Department appropriation bill for 1957 (including Forest Service items). p. 8239 Senate conferees were appointed on Apr. 23.

Conferees were appointed on H. R. 10721, the State, Justice, and Judiciary appropriation bill for 1957. p. 8239 Senate conferees have not yet been appointed.

Passed with amendment H. R. 11473, the legislative branch appropriation bill for 1957. p. 8247

Received from this Department a proposed bill to authorize certain point-of-order items now carried in USDA appropriation bills relative to the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural conservation and related agricultural programs, to facilitate the agricultural attache program, to facilitate the operations of FHA, FCIC, and FS, and for other purposes; to the Agriculture Committee. p. 8259



2. RESEARCH. Rep. Vursell commended the USDA program of research on poultry, swine, and dairying production and the contributions which have been made to these fields. p. 8255
3. POSTAL SERVICE. The Post Office and Civil Service Committee reported without amendment H. R. 11380, to readjust postal rates and to establish a congressional policy for the determination of postal rates (H. Rept. 2237). p. 8260
4. RECLAMATION. Agreed to the conference report on H. R. 6268, to provide for the use of appropriated funds by the Secretary of Interior in contracts for the construction of drainage works and other minor items in Federal reclamation projects. p. 8247 This bill is now ready for the President.
5. TAXATION. The "Daily Digest" states that the conferees on H. R. 6143, to repeal the transportation tax on poultry and of tax on livestock sold on account of drought, agreed to file a report. p. D547

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6. FOREIGN AID. The Rules Committee reported a resolution for the consideration of H. R. 11356, to extend the Mutual Security Act of 1954. pp. 8241, 8259

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7. PERSONNEL. The Rules Committee reported a resolution for the consideration of H. R. 11040, to provide for certain supergrade positions with scientific or professional qualifications in the Departments of Defense, Interior, and Commerce. pp. 8241, 8259
8. ELECTRIFICATION. Received from the Federal Power Commission copies of publications entitled "Statistics of Electric Utilities in the United States, 1954, Privately Owned," and "Typical Electric Bills, Cities of 50,000 Population and More, January 1, 1956"; to the Interstate and Foreign Commerce Committee. p. 8259
9. LEGISLATIVE PROGRAM. Rep. Albert announced that on June 5, the Consent Calendar would be called and motions to suspend the rules would be in order. p. 8245

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10. ADJOURNED until May 31. p. 8259

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11. FOREIGN AID. As reported (see Digest 88), H. R. 11356, the proposed "Mutual Security Act of 1956," includes the following provisions:  
Authorizes appropriation of \$3,563,475,000 to carry forward the mutual security program, which is \$1,109,000,000 less than the Executive request. Authorizes \$243,000,000 for development assistance; combines the present program, the fund for Asian economic development, and the special authorization for the Middle East and Africa; and authorizes development assistance in the form of loans except when funds are used to finance sales of surplus agricultural commodities. Authorizes use of funds under Title II of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83rd Cong.) to cover the expense of ICA in the performance of technical and advisory functions in connection with programs financed by Public Law 480 foreign currencies. Authorizes appropriations for three technical assistance programs as follows:  
Bilateral technical assistance, \$140,500,000; U. N. expanded technical assistance program, \$15,500,000; and Organization of American States program, \$1,500,000. Amends Sec. 402 of the Act, which relates to earmarking of funds for financing the export and sale for foreign currencies of surplus agricultural commodities, by providing that not less than \$250,000,000 of funds authorized to be made available under the Act for fiscal year 1957 may be used only for such purpose. Authorizes \$14 million to pay the ocean freight on U. S. surplus agricultural



commodities supplied to foreign nations under Titles II and III of Public Law 480, 83rd Cong. Increases the ceiling on U. S. annual contributions to the Food and Agriculture Organization from \$2 million to \$3 million.

Excerpts from committee report:

Technical cooperation. "In view of the committee's consideration of the technical cooperation program as a vital part of our foreign aid effort, the committee expects the executive branch, in whatever study or reappraisal it may make of the mutual security program, to give special consideration to technical assistance. In this connection, an analysis and study should be made of how the technical cooperation program can be given the special emphasis which it merits, possibly through its separation from the other programs contained in the mutual security program and by placing technical assistance in a new agency or new Government corporation devoted exclusively to this peoples-to-peoples program."

Surplus commodities. "The committee believes that the surplus products of the farms of the United States should be used in every way possible to carry out the mutual security program... The committee has confidence that those responsible for administering the program will continue to regard the figure given only as a floor, and not as a ceiling."

Foreign agricultural production. "The committee gave special consideration during its hearings on the bill to the problem created as a result of the use of United States aid to encourage the production by other nations of agricultural commodities... The committee notes with approval the attention that is being given by the International Cooperation Administration to this matter and recommends that all future technical assistance or other aid be extended in such a manner as to avoid competitive conditions that are damaging either to our own country or to recipient countries."

SENATE

12. ROADS. Passed with amendments H. R. 10660, the road bill. p. 8272  
(For prior summaries of provisions of this bill see Digests nos. 66 and 81.)  
Agreed to committee amendment which permits the use of funds for forest development roads and trails to be used for construction of sanitary, water, and fire-control facilities. Agreed to amendments by Sen. Barrett to authorize \$33,750,000 for each of the fiscal years 1958-61 for forest highways, and \$27,000,000 annually for each of the fiscal years 1958-61 for forest development roads and trails (p. 8304); and by Sen. Kerr prohibiting apportionment of interstate funds to any State permitting the use of vehicles in excess of certain weights and dimensions (p. 8337). Conferees were appointed (p. 8366).
13. LIVESTOCK. Sen. Neuberger inserted a resolution of the Ore. Grange indorsing an incentive payments plan for the slaughter of heifers. p. 8263
14. FOOD AND DRUG; MEAT INSPECTION. Sen. Mundt inserted the text of a proclamation by the Gov. of Minn. commemorating the 50th anniversary of the Food and Drug and Meat Inspection Acts. p. 8263
15. MILK. The Labor and Public Welfare Committee reported without amendment S. 1614, to fix reasonable definition and standards of identity of certain dry milk solids (S. Rept. 2064). p. 8264



16. RURAL LIBRARIES. The Labor and Public Welfare Committee reported without amendment H. R. 2840, to promote the development of a public library service in rural areas (S. Rept. 2067). p. 8264
17. BUDGET AND ACCOUNTING. Sen. Kennedy announced that the Government Operations Committee would begin hearings June 4 on S. 3897, to improve governmental budget and accounting processes. p. 8266
18. FARM PROGRAM. Sen. Carlson inserted his letter to the Secretary urging that efforts be made to put the soil bank into operation this year. p. 8271
19. APPROPRIATIONS. The Appropriations subcommittee ordered reported with amendments to the full committee H. R. 9720, the Labor - HEW appropriation bill. p. D544
20. INSECTS. Sen. Smathers commended the Appropriations committee for providing additional funds to this Department to combat the invasion of the Mediterranean fruitfly, and urged stricter customs laws on entry of items into this country. p. 8310
21. RECESSED until Thurs., May 31. p. 8368

#### ITEMS IN APPENDIX

22. FORESTRY. Sen. Welker inserted a speech given by Warren H. Brown at a program where farmers were dedicating portions of their land in order to assure a growth of timber. p. A4274
23. HOG PRICES. Rep. Marshall inserted Alfred Stedman's article, "Dealers Pocket Hog-Slump Cash," and stated it "reveals some interesting facts and figures on what happened to farmers during the hog-price slump." p. A4274
24. FARM PRICES. Sen. Langer inserted a GTA daily radio roundup broadcast telling how they have had "the editors of U. S. News tell about the unrest they found in the farm States" and stating that "when cash registers don't ring, that's a farm depression on Main Street." p. A4277
25. FARM PROGRAM. Sen. Neuberger inserted an article, "New Farm Bill Criticized By Wheatgrowers' Veep," and stated that this news story makes reference to many significant events, from the latest model farm bill to the export market for wheat being cultivated in Japan." p. A4280
26. ELECTRIFICATION. Sen. Goldwater inserted Raymond Moley's article, "Low Blows At High Dam," describing the controversy about the Hells Canyon dam and listing "factual" answers to the main charges. p. A4280  
Rep. Widnall inserted an article, "Giveaway To Whom?" and stated that it "fairly and squarely answers some current attacks on the Eisenhower administration". p. A4285
27. AGRICULTURAL PRODUCTION. Rep. Adair inserted Assistant Secretary Butz' recent speech at Purdue University, before the Sixth National Institute of Animal Agriculture, on government programs and agricultural production. p. A4282

## CONSIDERATION OF H. R. 11356

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MAY 29, 1956.—Referred to the House Calendar and ordered to be printed

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Mr. MADDEN, from the Committee on Rules, submitted the following

### R E P O R T

[To accompany H. Res. 515]

The Committee on Rules, having had under consideration House Resolution 515, report the same to the House with the recommendation that the resolution do pass.







## House Calendar No. 229

84TH CONGRESS  
2D SESSION

# H. RES. 515

[Report No. 2221]

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### IN THE HOUSE OF REPRESENTATIVES

MAY 29, 1956

Mr. MADDEN, from the Committee on Rules, reported the following resolution:  
which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the  
4 Union for the consideration of the bill (H. R. 11356) to  
5 amend further the Mutual Security Act of 1954, as amended,  
6 and for other purposes. After general debate, which shall  
7 be confined to the bill, and shall continue not to exceed one  
8 day, to be equally divided and controlled by the chairman  
9 and ranking minority member of the Committee on Foreign  
10 Affairs, the bill shall be read for amendment under the five-  
11 minute rule. At the conclusion of the consideration of the  
12 bill for amendment, the Committee shall rise and report the

1 bill to the House with such amendments as may have been  
2 adopted, and the previous question shall be considered as  
3 ordered on the bill and amendments thereto to final passage  
4 without intervening motion except one motion to recommit.

House Calendar No. 229

84TH CONGRESS  
2D SESSION

**H. RES. 515**

[Report No. 2221]

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## RESOLUTION

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Providing for the consideration of H. R. 11356,  
a bill to amend further the Mutual Security  
Act of 1954, as amended, and for other pur-  
poses.

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By Mr. MADDEN

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MAY 29, 1956

Referred to the House Calendar and ordered to be  
printed





[Report No. 100]

# RESOLUTION

Resolved, That the Committee on the Judiciary do hereby report the following resolution to the Senate:

That the Committee on the Judiciary do hereby report the following resolution to the Senate:

June 1/12

ations to reimburse CCC for its investment in the grain. p. 8617

14. FORESTS. The Agriculture Committee reported without amendment H. R. 8657, to authorize the purchase of certain lands for inclusion in the Superior National Forest (H. Rept. 2261). p. 8628
15. FOREIGN AID. The Foreign Affairs Committee reported the minority views on H. R. 11356, the mutual security bill (H. Rept. 2213, part 2). p. 8628
16. MINING; FORESTRY. Passed as reported H. R. 7663, to transfer to the Ute Indian Tribe all U. S. subsurface rights, including mineral rights, of land in the Uinta National Forest, for which Indians were not paid by the Government; and to provide for direction of Indian mining operations by this Department. p. 8613  
H. R. 6501, to permit the disposal of certain reserve mineral deposits under the U. S. mining laws, was passed over at the request of Rep. Gavin. p. 8616
17. MILK. H. R. 5257, to further define nonfat dry milk solids for purposes of the Federal Food, Drug, and Cosmetic Act, was passed over at the request of Rep. Lovre. p. 8614
18. ECONOMIC REPORT. Passed without amendment S. 3332, to extend the time for filing the report of the Joint Committee on the Economic Report to Jan. 20 each year, and to change the name of the Committee to the "Joint Economic Committee." p. 8615 This bill is now ready for the President. p. 8615
19. ATOMIC ENERGY. Rep. Bailey urged caution in the development of atomic energy for generation of electrical power and opposed the use of Federal funds for the rapid development of this resource. He inserted a statement of Mr. Pickett, National Coal Association, relative to atomic disaster insurance. p. 8625
20. PROPERTY. Received from the Attorney General, the report of the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States; to the Government Operations Committee. p. 8628  
The Interior and Insular Affairs Committee reported with amendment H. R. 10946, to provide for the disposition of surplus personal property to Alaska until Dec. 31, 1958 (H. Rept. 2263). p. 8629
21. INSPECTION SERVICES. Both Houses received from the Budget Bureau a proposed bill "to provide a uniform premium pay system for Federal employees engaged in inspectional services, to authorize a uniform system of fees and charges for such services, and for other purposes"; to the Post Office and Civil Service Committees. (pp. 8520, 8628). A copy of the proposed bill (and an analysis thereof) is available in this office for reference purposes.
22. RECLAMATION. The Interior and Insular Affairs Committee ordered reported H. R. 7726, to authorize the construction of the Crooked River Federal reclamation project, Oreg. p. D570
23. WATER POLLUTION. The "Daily Digest" states that the Rules Committee reported a resolution for the consideration of H. R. 9540, to extend and strengthen the Water Pollution Control Act. p. D572

ITEMS IN APPENDIX

24. PERSONNEL. Sen. Potter inserted an address of Secretary of HEW Folsom before the annual meeting of the President's Committee on Employment of the Physically Handicapped on the importance of employing handicapped persons. p. A4433  
Extension of remarks of Rep. Rogers, Tex., congratulating Miss Nettie Sims of this Department on receiving a superior service award. p. A4455
25. FOOD BANK. Sen. Martin inserted an article by Raymond Moley discussing the problems of establishing an international food and raw materials reserve. p. A4437
26. TRANSPORTATION. Sen. Potter inserted his article on the economic importance of the development of the St. Lawrence seaway and the opening of the Great Lakes to world trade. p. A4437
27. FORESTS. Sen. Neuberger inserted a magazine article, "Uncle Sam's Campgrounds" on the recreational facilities offered by our national parks and national forests. p. A4439  
Rep. Metcalf inserted the text of his letter to the Secretary of the Interior requesting information regarding the development of a mineral lease by Interior with the International Nickel Co. of Canada, relative to lands in the Superior National Forest, Minn. p. A4473
28. PRICE SUPPORTS. Sen. Johnston, S. C., inserted a newspaper editorial, "Parity: A Much Misunderstood Word That Simply Means a Fair Break", critical of the Administration's farm policies. p. A4440
29. FOREIGN AFFAIRS. Sen. Aiken inserted an address by Bolivian Ambassador discussing trade relations between the U. S. and Latin America. p. A4440
30. FOREIGN AID. Extension of remarks of Rep. Polk stating that H. R. 11356, the foreign aid bill, should be returned to the Foreign Affairs Committee for further study and reconsideration. p. A4456  
Rep. Curtis, Mass., inserted a newspaper editorial stating that the Administration "has no real plan of action" for a program of aid to under-developed countries. p. A4474  
Rep. Smith, Wis., inserted a letter he received criticizing the administration of our foreign aid program. p. A4476
31. COTTON. Rep. Boggs inserted the recent testimony of the cotton industry given before the Agriculture Committee. p. A4458  
Rep. Riley inserted several letters and commented on the "threat" to the textile industry and cotton farmers of the increase in imports of cotton textile goods made from cotton grown in other countries. p. A4472
32. ELECTRIFICATION. Rep. Byrd inserted a newspaper editorial describing the dedication of the Kyger Creek electric power plant in Ohio. p. A4479
33. SOIL BANK. Rep. Bonner inserted a newspaper editorial criticizing the alleged lack of preparedness to administer the soil bank act effective in 1956. p. A4480  
Rep. Abernethy inserted a newspaper editorial suggesting that northern Miss. would not benefit from the provisions of the soil bank act. p. A4484
34. FLOOD INSURANCE. Rep. Donohue inserted a newspaper editorial supporting a flood insurance plan to homeowners and industries. p. A4483



# MUTUAL SECURITY ACT OF 1956

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## MINORITY VIEWS

TO ACCOMPANY

H. R. 11356

TO AMEND THE MUTUAL SECURITY ACT  
OF 1954, AND FOR OTHER PURPOSES



JUNE 5, 1956.—Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed

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UNITED STATES  
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WASHINGTON : 1956



## MUTUAL SECURITY ACT OF 1956

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JUNE 5, 1956.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. SMITH of Wisconsin, from the Committee on Foreign Affairs, submitted the following

### MINORITY VIEWS

[To accompany H. R. 11356]

In 3 previous years we have felt compelled to express our strong conviction that passage of a multibillion dollar mutual security bill of this nature was not and could not be the answer to our basic national need for peace and security.

In our minority report on the Mutual Security Act of 1953, 3 years ago, we asked the following questions:

What magic formula is there in this program that is going to transform millions of insecure people throughout the world into valiant, invigorated, and dependable allies? Is it United States money? No. We have tried that one many times—with no success. Is it United States armed might? No. Our forces have been bearing the brunt of the fight in Korea on behalf of the principles of sovereignty, independence, and freedom—and still the peoples of Asia waver. \* \* \*

It would therefore seem to us particularly essential that we evaluate the present program in the light of what similar programs in the past have failed to accomplish; and from the point of view of whether or not it offers fulfillment of pledges made to the American people. (H. Rept. 569, 83d Cong., 1st sess., pt. 2, p. 8.)

In 1954, when the Mutual Security Act attempted to exchange the existing patchwork of foreign aid programs for a permanent form, we stated with equal emphasis:

There exists in our minds a grave and fundamental question concerning the wisdom of enacting now what is con-



sidered permanent legislation. This is particularly so in view of the unsettled world conditions which become even more unsettled with each passing day and the widespread uncertainties in high places as to our own foreign policy. The House Foreign Affairs Committee is a legislative committee, a policy committee. The sole purpose of the committee in reviewing past programs and proposed programs is to determine policy. To carry out that responsibility has been the function of the committee in bringing out this bill. But how can we determine legislative policy as a directive and framework of action for the executive branch without being fully apprised of executive branch policy to give root and substance to what, after all, amount only to the cold words of a statute? (H. Rept. 1925, 83d Cong., 2d sess., pt. 3, p. 2.)

In 1955 we felt again constrained to speak these words:

In the past we have urged what to us has seemed natural and logical—a thorough study, a reappraisal, a redefining of foreign policies, techniques and statutes concerned with the goal of international peace and security, which we all seek. The executive branch has not seen fit to do this before submitting this bill to the Congress; nor has the Congress of the United States itself, which is directly responsible to the people who foot the bills, make the sacrifices, and fight the wars, undertaken such an analysis. (H. Rept. 912, 84th Cong., 1st sess., pt. 2, p. 2.)

And now in 1956, with still no reappraisal of the problems, of the policies, or of the programs, we are again asked to accept a multibillion dollar authorization based on a concept whose validity is outmoded, if, in fact—as we would deny—such validity ever existed. We could only wish that we had been wrong; that our fears of the inefficiency of the approach had been proven groundless. We would be the first to hope that this mutual security legislation might have proved to be the effective weapon for American security and world peace that it was advertised to be.

Events, statements by foreign officials and expressions by our own leaders in the executive branch and in the Congress confirm the fears which we expressed in our three previous minority reports.

Nothing that has happened has changed our conviction that mutual security legislation of this nature is not and cannot be an adequate or right answer to our need for national security and world peace. The program continues to reveal an inherent failure in basic philosophic intent, a failure in direction and approach, and a failure to interpret the shifting nature of world events and to combat successfully relentless Soviet policy. It is increasingly apparent that the policy and the programs to be authorized by this legislation have proved to be not only wanting but actually self-defeating.

It is not that we have failed to pour out money and pour it out generously. One glance at the following table, listing the money yet to be obligated and spent, indicates our unrestrained generosity and spending:

*Estimated unobligated and unreserved balance June 30, 1956*

	Estimate in March 1956	Estimate in May 1956
Military.....	\$297,000,000	\$195,500,000
Nonmilitary.....	106,600,000	190,000,000
Total.....	403,600,000	385,500,000

*Estimated unexpended balance June 30, 1956*

	Estimate in March 1956	Estimate in May 1956
Military.....	\$4,765,100,000	\$5,000,000,000
Nonmilitary.....	1,678,200,000	1,800,000,000
Total.....	6,443,300,000	6,800,000,000

Source: H. Rept. 2213, 84th Cong., 2d sess., p. 6.

A complete and detailed breakdown of United States generosity will be found in the appendix to this report.

This year, with mounting dissatisfaction and disillusionment with this policy among the people of the United States and their chosen Representatives in Congress, the program in this bill nevertheless plunges along, in its frustrated way, not knowing what its future course, size, or policies will be.

We feel that this bill is particularly objectionable in that the only certainty contained in it is its duration—"permanent." Those who approve this legislation have inserted into the program the mysterious, magical formula which they call "permanent legislation" as if "permanent" were synonymous with "sound." The philosophy contained in the Statement of Policy in section 7 of the bill is particularly objectionable in this regard. It puts the Congress of the United States on record and commits the United States to pursue programs of assistance as long as Communist danger to the peace of the world and the security of the United States persists. In other words, the United States is to take upon its shoulders, and the American people are to assume, the tax burden of supporting the free world indefinitely. No mention is made of what other nations are to do in order to keep the free world free. No clue is indicated as to our future course with respect to the nations who do not see fit to commit themselves with the free world.

The time is long overdue when the American people—and particularly the Congress, which carries a basic responsibility for the future of this country—must face hard facts with courage. Despite the outpouring of billions of dollars, an honest appraisal of the world situation and of our relationship to it should give ample warning, even at this late date. To continue the philosophy and policies so far provided in mutual security legislation at a greater sum and for a longer period of time, can only mean an ultimately disastrous continuation of the all too apparent failures of the program.

It is impossible to list in this brief report, either all inclusively or at sufficient length, the total reasons that call for serious questioning and opposition to H. R. 11356, the Mutual Security Act of 1956, currently under consideration. Suffice it to say that even former strong



proponents of the program—and certainly the American people—are now demanding a reappraisal and rescruity of the purpose and policy, based on the following disturbing record:

1. It has failed in its futile attempt to make an appropriation of money a solution for a problem.

2. It has failed to expand the area of the world which may be called "free world." On the contrary, that area is being steadily constricted while the area of uncommitted or neutral nations is steadily expanding. "Neutralism" makes it easier for the Communists to increase their influence while the efforts of the free world are made more difficult.

3. Despite the mutual security program we have failed to convince peoples seeking their freedom and newly independent nations that we are sincere in opposing colonialism.

4. It has proved deficient in wise programing, sound fiscal practices, satisfactory presentation to the Congress, adequate implementation of congressional intent, and understanding execution in the field. This is amply indicated by the testimony of the Honorable Joseph Campbell, Comptroller General of the United States, before the Senate Foreign Relations Committee on the mutual security program on May 21, 1956.

Further, this bill reflects the increasing tendency to lump money, areas, and programs together, thus giving blank check authority to the Executive. Because of the diffusion of delegated power which this bill makes possible, both the President and the Congress are steadily losing control of the spending and operations of the program.

5. It has failed to achieve for the free world the expected defense against Soviet military power. The North Atlantic Treaty Organization was organized as a defense against Soviet military power. The North Atlantic Treaty Organization is losing power when it should be increasing it.

The Secretary of State, in a news conference on April 24, 1956, stated "Broadly speaking, it is our view, and I think has been our view, that an organization of this kind [NATO] either grows or tends to dry up." With each Soviet smile, another crack appears in the NATO armor.

6. It has failed to solve the problem of how to reach the peoples themselves in the underdeveloped nations.

7. It has intermingled the valuable technical cooperation program, which is a sharing of knowledge, skills, and know-how with the peoples of the underdeveloped countries, with a huge military program that deals with arms and the implements of war. These are two totally different programs in magnitude, in philosophy, in intent, and in approach.

Study should be made of how best to emphasize the importance and long range character of the technical cooperation program. Some thought should be given to separating this vital program from the other phases of the mutual security program. In fact, the advisability might be considered of setting it up as an independent agency.

8. It has failed to consider sufficiently the present importance and the potentialities of our Latin American neighbors. The peace and security of the Western Hemisphere is vital to the preservation of the entire free world.



9. Finally, it has failed to convey to the world, and even to our friends, the real meaning of American traditions, principles, and ideals—those attributes which have made us a great Nation and a great people.

In the face of this honest questioning even by former proponents of the program and by the public, and in the face, as well, of what seems to us also an undeniable failure in principle, policy, and performance, we cannot go along with the proposal to appropriate more billions for a longer time for more extensive programs of the same nature. What is needed is a stern, realistic reappraisal. In fact, returning from a recent study mission around the world, the Subcommittee on the Far East and the Pacific of the House Committee on Foreign Affairs stated with sober emphasis in its report:

If it is to succeed, the United States must do more than reappraise its programs: it must subject to minute rescrutiny its policy and its determination (H. Rept. 2147, 84th Cong., 2d sess., p. 212).

There has been introduced in the Congress a concurrent resolution calling for a congressional committee, 6 members from the Senate and 6 from the House, to study, reevaluate, and give relentless judgment on the policies and programs that have been carried on under this mutual security legislation; and to produce, following such study, sound suggestions for better implementing our national desire for peace and security.

We urge the Congress to join with us in insisting upon a rescrutiny of our foreign policies and programs as the basic need of this hour. What is actually now at stake is not the mere continuation of programs or appropriations, but the very peace and safety of this country and the whole free world.

LAWRENCE H. SMITH.  
MARGUERITE STITT CHURCH.  
E. ROSS ADAIR.

## APPENDIX TO MINORITY VIEWS ON H. R. 11356

There follow tables on the extent of United States foreign aid during the period July 1, 1940, through December 31, 1955. This information was furnished by the Legislative Reference Service of the Library of Congress:

As summarized in the first table United States foreign aid to all countries and international organizations for the period covering World War II and the postwar period ending December 31, 1955, amounted to \$111,126,234,000. This total does not include United States capital investments in the International Bank for Reconstruction and Development (\$635 million) and the International Monetary Fund (\$2,750 million) although these add to the foreign aid underwritten (reclaimable) by the United States Government.

Lend-lease totals were divided into two sections, namely for the war emergency period and for the postwar period. During the postwar period additional funds were not authorized; the totals extended for lend-lease were merely for the supplies in the so-called pipelines and final settlement of goods not yet delivered.

Grants-in-aid are also divided into the war and postwar periods. In general no repayment was requested. The only condition stipulated in all grant agreements was that the United States could request a return of a percentage of Counterpart Funds in national currencies or in strategic raw materials from the recipients of aid.

On the other hand, net authorized credits are loans or other agreements which gave rise to specific obligations for repayment. Utilized credits for the war period amounted to \$1,096 million, but only the total for the overall period July 1940–December 31, 1955, is given by country as there was a continual readjustment in payments as well as previous grants being transferred to the loan account.

### *Summary of aid*

#### Lend-lease (grants-in-aid):

I. (a) July 1, 1940–June 30, 1945 (war period)	\$46, 728, 287, 000
I. (b) July 1, 1945–Dec. 31, 1955 (postwar period)	2, 040, 033, 000

Total	48, 708, 320, 000
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#### Grants-in-aid, other than lend-lease:

II. (a) July 1, 1940–June 30, 1945 (war period)	1, 400, 010, 000
II. (b) July 1, 1945–Dec. 31, 1955 (postwar period)	44, 102, 380, 000

Total	45, 502, 390, 000
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Net authorized loans and credits: III. July 1, 1940–Dec. 31, 1955 (war and postwar period)	16, 855, 524, 000
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Summary total	111, 126, 234, 000
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I. (a) *Lend-lease—July 1, 1940–June 30, 1945*

[In thousands of dollars]

Bolivia.....	\$5, 026
Brazil.....	347, 945
Chile.....	22, 038
Colombia.....	8, 278
Costa Rica.....	156
Cuba.....	6, 154
Dominican Republic.....	1, 458
Ecuador.....	7, 208
El Salvador.....	877
Guatemala.....	1, 736
Haiti.....	1, 362
Honduras.....	368
Mexico.....	38, 621
Nicaragua.....	885
Paraguay.....	1, 952
Peru.....	18, 001
Uruguay.....	6, 942
Venezuela.....	4, 480
Unspecified Latin America.....	108, 539
Belgium.....	68, 774
United Kingdom.....	28, 600, 797
Australia.....	896, 641
India.....	610, 172
New Zealand.....	249, 432
Union of South Africa.....	93, 370
China (Formosa).....	845, 743
Czechoslovakia.....	2, 760
Ethiopia.....	1, 238
France.....	2, 613, 543
Greece.....	75, 365
Iran.....	7, 791
Liberia.....	236
Netherlands.....	114, 690
Norway.....	37, 039
Poland.....	12, 119
Saudi Arabia.....	5, 489
Turkey.....	90, 041
U. S. S. R.....	10, 760, 975
Yugoslavia.....	32, 050
Unclassified.....	1, 245, 077
Total.....	46, 728, 287



*I. (b) Lend-lease—July 1, 1945–Dec. 31, 1955*

[In thousands of dollars]

Brazil	\$3, 616
Colombia	11
Dominican Republic	3
Guatemala	1, 347
Mexico	553
Paraguay	2
Peru	237
Belgium	59, 480
United Kingdom	341, 462
Australia	12, 300
India	3, 000
New Zealand	2, 300
China (Formosa)	729, 418
Czechoslovakia	2
France	372, 441
Greece	5, 956
Iran	750
Italy (civilian supplies)	134, 444
Netherlands	64, 334
Poland	92
Saudi Arabia	1, 591
U. S. S. R.	277, 254
Yugoslavia	76
Unspecified	29, 364
Total	2, 040, 033

II. (a) *Grants-in-aid—July 1, 1940–June 30, 1945*

[In thousands of dollars]

Argentina.....	\$1, 239
Bolivia.....	1, 926
Brazil.....	12, 693
Chile.....	2, 864
Colombia.....	2, 230
Costa Rica.....	1, 722
Cuba.....	503
Dominican Republic.....	400
Ecuador.....	4, 132
El Salvador.....	1, 026
Guatemala.....	1, 484
Haiti.....	1, 131
Honduras.....	2, 720
Mexico.....	8, 130
Nicaragua.....	2, 267
Panama.....	989
Paraguay.....	2, 406
Peru.....	3, 485
Uruguay.....	814
Venezuela.....	2, 557
Unclassified Latin America.....	4, 373
Austria.....	1, 022
United Kingdom.....	16, 158
Australia.....	108
Bermuda.....	1
British East Africa.....	301
Hong Kong.....	368
India.....	77
Trinidad and Tobago.....	3
China-Formosa.....	385, 116
Czechoslovakia.....	5, 717
Egypt.....	1, 700
Finland.....	1, 489
France.....	7, 449
Algeria.....	15, 945
French Equatorial Africa.....	118
French Morocco.....	68
Greece.....	3, 627
Iceland.....	99
Iran.....	353
Ireland.....	308
Italy.....	310, 166
Eritrea.....	15
Ryukyu Islands (Japan).....	4, 122
Liberia.....	236
Indonesia.....	3, 625
Norway.....	70
Philippines.....	52, 515
Poland.....	84
Portugal.....	1
Spain.....	1, 759
Sweden.....	766
U. S. S. R.....	15, 205
Yugoslavia.....	1, 028
Trust Territories in Pacific.....	1, 826
International organizations.....	53, 238
Unclassified areas.....	447, 379
Total.....	1, 400, 010

*II. (b) Grants-in-aid, July 1, 1945, to Dec. 31, 1955, and calendar years 1954 and 1955*

[In thousands of dollars]

	July 1, 1945, to Dec. 31, 1955	1954	1955
Argentina.....	\$198		
Bolivia.....	42,554	\$14,718	\$21,331
Brazil.....	20,091	2,833	5,550
Chile.....	10,504	1,358	1,825
Colombia.....	7,155	1,322	2,184
Costa Rica.....	13,899	1,858	2,400
Cuba.....	1,437	242	416
Dominican Republic.....	2,002	276	534
Ecuador.....	8,514	1,267	1,681
El Salvador.....	5,026	883	1,196
Guatemala.....	20,964	463	10,708
Haiti.....	11,719	2,844	3,934
Honduras.....	6,005	1,006	1,812
Mexico.....	104,758	3,964	1,625
Nicaragua.....	10,530	1,326	2,012
Panama.....	9,113	1,796	2,756
Paraguay.....	8,271	1,047	1,944
Peru.....	14,703	2,462	3,206
Uruguay.....	1,994	235	253
Venezuela.....	2,152	152	189
Unspecified.....	300,109	49,011	30,827
Afghanistan.....	3,375	1,228	1,655
Albania.....	20,444		
Australia.....	239		
Austria.....	1,057,470	18,251	7,534
Belgium-Luxembourg.....	521,980	6,285	574
Burma.....	20,725	1,052	720
Canada.....	3,964		
Ceylon.....	167	9	112
China (Formosa).....	1,420,111	105,538	92,941
Czechoslovakia.....	185,825	839	1,535
Denmark.....	247,600	1,117	248
Egypt.....	30,954	4,513	22,332
Ethiopia.....	8,736	1,667	3,885
Federation of Rhodesia.....	1		
Finland.....	3,522	46	1,424
France.....	3,914,830	461,789	405,871
Algeria.....	107		
French Morocco.....	647	201	175
French West Indies.....	17		
Tunisia.....	335	56	137
East Germany.....	17,349	6,946	2,099
Federal Republic of Germany.....	3,768,428	75,494	31,399
Greece.....	1,649,328	55,934	54,143
Hungary.....	5,855	2,999	497
Iceland.....	29,791	831	501
India.....	170,206	28,790	88,429
Indochina (total).....	403,912	69,496	264,709
Cambodia.....	27,957	12	27,945
Laos.....	36,873	4	36,869
Vietnam.....	230,249	38,322	191,928
Unspecified.....	108,833	31,158	7,967
Indonesia.....	114,083	5,912	6,743
Iran.....	171,358	65,273	33,395
Iraq.....	7,382	2,216	2,908
Ireland.....	18,346		
Israel.....	240,167	55,958	22,909
Italy (civilian supplies).....	2,401,706	112,495	65,354
Trieste.....	47,821	360	734
Japan and possessions.....	2,579,391	16,230	30,333
Jordan.....	26,120	6,705	13,418
Korea.....	1,310,360	161,746	250,223
Lebanon.....	15,315	3,796	6,777
Liberia.....	6,238	1,292	1,697
Libya.....	24,814	4,263	17,307
Nepal.....	3,076	637	1,946
Netherlands.....	846,870	15,424	1,854
Surinam.....	422	220	202
Norway.....	235,419	15,077	3,465
Pakistan.....	161,699	12,202	64,607
Palestine.....	175		
Philippines.....	750,584	17,279	13,165
Poland.....	364,886		
Portugal.....	15,979	3,031	1,370
Saudi Arabia.....	2,652	764	340

<sup>1</sup> Credit.



*II. (b) Grants-in-aid, July 1, 1945, to Dec. 31, 1955, and calendar years 1954 and 1955—Continued*

[In thousands of dollars]

	July 1, 1945, to Dec. 31, 1955	1954	1955
Spain.....	\$68,211	\$12,750	\$53,939
Sweden.....	87,143	8	1
Switzerland.....	1,803		
Syria.....	970	452	21
Tangier.....	17	17	
Thailand.....	36,569	4,624	14,327
Turkey.....	444,490	75,892	49,183
U. S. S. R.....	188,180		
United Kingdom.....	3,396,667	163,457	81,343
Bahamas.....	34		34
British Borueo.....	137		136
British East Africa.....	29		29
British Guiana.....	97	18	74
British Honduras.....	147		85
British Leeward and Windward Islands.....	163		163
Federation of Malaya.....	546	47	488
Gambia.....	25		25
Gold Coast.....	16		12
Hong Kong.....	2,568	1,464	1,104
Jamaica.....	506		503
Malta.....	596	86	356
Nigeria.....	27		25
Sierra Leone.....	7		6
Singapore.....	24		24
Yugoslavia.....	730,305	52,931	81,411
Trust Territories in Pacific.....	4,444		
International organizations.....	1,092,148	43,447	47,759
Unspecified areas:			
Asia and Pacific.....	2,603,938	759,075	456,969
Europe.....	10,153,496	2,039,745	1,365,653
Near East Africa.....	1,506,676	324,369	308,509
South Asia.....	15,654	13	1,127
Other.....	330,979	38,541	40,185
Total.....	44,102,380	4,949,958	4,128,343

*III. Net authorized loans and credits, period July 1, 1940, to Dec. 31, 1955*

[In thousands of dollars]

Country	Total period July 1, 1940, to Dec. 31, 1955	Unutilized on Dec. 31, 1955
Argentina.....	\$162,137	\$60,072
Bolivia.....	47,043	2,621
Brazil.....	784,942	89,558
Chile.....	148,764	4,550
Colombia.....	86,293	2,812
Costa Rica.....	21,335	10,303
Cuba.....	80,228	8,060
Dominican Republic.....	3,284	
Ecuador.....	38,565	6,499
El Salvador.....	1,476	
Guatemala.....	2,619	2,125
Haiti.....	37,891	7,163
Honduras.....	1,118	
Mexico.....	309,747	64,836
Nicaragua.....	5,550	300
Panama.....	6,488	
Paraguay.....	13,900	7,670
Peru.....	147,755	120,134
Uruguay.....	22,011	2,673
Venezuela.....	23,822	5,376
Unspecified.....	144,624	7,111
Afghanistan.....	40,934	14,300
Australia.....	22,559	
Austria.....	34,807	4,446
Bahrein.....	17,048	
Belgium.....	234,972	
Luxembourg.....	3,000	
Belgian Congo.....	1,550	

*III. Net authorized loans and credits, period July 1, 1940, to Dec. 31, 1955—Continued*

[In thousands of dollars]

Country	Total period July 1, 1940, to Dec. 31, 1955	Unutilized on Dec. 31, 1955
Burma.....	\$5,043	-----
Canada.....	198,621	\$2,625
China (Formosa).....	367,858	16,723
Czechoslovakia.....	30,377	-----
Denmark.....	54,341	-----
Egypt.....	25,674	7,740
Ethiopia.....	31,707	24,000
Eritrea.....	50	-----
Federation of Rhodesia and Nyasaland.....	60,686	11,291
Finland.....	152,313	-----
France.....	2,463,407	1,430
Algeria.....	680	-----
French Equatorial Africa.....	4,368	-----
French Morocco.....	18,378	40
New Caledonia.....	1,501	-----
Germany.....	1,345,706	124
Greece.....	126,790	2,073
Hungary.....	15,917	-----
Iceland.....	6,249	-----
India.....	409,216	45,270
Indonesia.....	180,770	32,952
Iran.....	120,626	55,780
Iraq.....	889	-----
Ireland.....	128,200	-----
Israel.....	162,398	5,401
Italy.....	481,209	26,355
Japan.....	620,474	75,359
Korea.....	27,428	2,500
Latvia.....	11	-----
Lebanon.....	1,550	-----
Liberia.....	44,773	18,100
Netherlands.....	472,172	-----
New Zealand.....	20,453	16,120
Norway.....	140,830	-----
Pakistan.....	35,136	20,000
Philippines.....	144,652	7,686
Poland.....	81,268	-----
Portugal.....	59,465	4,548
Angola.....	65	-----
Saudi Arabia.....	31,826	-----
Spain.....	142,033	47,424
Sweden.....	28,311	-----
Thailand.....	8,505	1,250
Turkey.....	155,520	11,182
Union of South Africa.....	151,714	30,179
U. S. S. R.....	222,493	-----
United Kingdom.....	5,216,757	-----
British East Africa.....	2,394	-----
British Guiana.....	128	-----
British Honduras.....	482	-----
Jamaica.....	20,930	-----
Nigeria.....	674	-----
Yugoslavia.....	55,900	-----
International organizations:		
Schuman plan (European coal and steel).....	100,000	-----
United Nations headquarters loan.....	65,000	-----
Export credits—Export Import Bank.....	167,143	167,143
Total.....	16,855,524	1,053,904

Sources:

(1) Foreign Aid, 1940-51; Office of Business Economics, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce, 1952.

(2) Foreign Grants and Credits, Office of Business Economics, U. S. Department of Commerce, April 1956.















June 6/56

13. EDUCATION. Sen. Humphrey commended the work of the International Farm Youth Exchange. p. 8679
14. RURAL LIBRARIES. Passed without amendment H. R. 2840, to be known as the "Library Services Act," which authorizes an annual appropriation of \$7,500,000 to the States for a 5-year period beginning with the fiscal year 1957, for payments by the Office of Education, to extend public-library services to rural areas which have no service or which have inadequate service. This bill will now be sent to the President. p. 8679
15. LEGISLATIVE PROGRAM. Sen. Johnson said the calendar may be called Mon. p. 8680

HOUSE

16. APPROPRIATIONS. Conferees were appointed on H. R. 9720, the Labor-HEW appropriation bill for 1957. p. 8687 Senate conferees were appointed June 5.  
Received from the President supplemental estimates in the amount of \$895,000 for GSA and the Interior Department (H. Doc. 420); to the Appropriations Committee. p. 8751
17. FOREIGN AID. Began debate on H. R. 11356, the mutual security bill. pp. 8687, 8688 (For provisions of this bill, see Digest 89, except that the reference to Title II, regarding ICA expenses, relates to the Mutual Security Act.)
18. WATER RESOURCES. Rep. Coon commended this Administration for furthering the policy of partnership in the development of electrification programs. p. 8749  
Received from the Interior Department a report on a survey of lands in the Ventura River project area, certifying that the lands were favorable for irrigation and crop production; to the Appropriations Committee. p. 8751
19. MEATS. Rep. Scrivner described the virtues of Kansas City, Kan. prime ribs of beef, and invited members to try the "taste test." p. 8687
20. FARM PROGRAM. Rep. Thompson, La., related his efforts to improve the condition of farmers in his La. District and inserted appropriate letters commending him for his efforts on behalf of the sweet potato, rive, and cotton producers of that District. p. 8739
21. ACCOUNTING; AUDIT. The Government Operations Committee issued a report, "The General Accounting Office--- A Study of Its Organization and Administration With Recommendations for Increasing Its Effectiveness" (H. Rept. 2264). pp. 8751, D579

ITEMS IN APPENDIX

22. FORESTRY. Sen. Wiley inserted his radio address presenting a 20-point legislative program, including strengthening our conservation and forestry programs. p. A4500
23. FARM PROGRAM. Rep. Gavin inserted a newspaper editorial, "Heart of the Farm Bill", commenting on possible future benefits to be derived from soil bank program. p. A4505  
Rep. Edmondson expressed concern for the "uncertainty in the Department of Agriculture concerning the soil-bank program", and inserted telegram to the Secretary requesting USDA plans for instituting the program. p. A4507  
Rep. Flood inserted a Progressive Farmer article, "The Fight for Fairer Prices Must Go On", supporting higher support prices for farm products. p. A4534

24. ELECTRIFICATION. Rep. Gavin inserted a newspaper editorial in support of the construction of the Niagara River hydroelectric project by private industry. p. A4505  
Rep. Gavin inserted a newspaper editorial questioning the benefits gained from the government operation of TVA. p. A4508  
Sen. Gore inserted a magazine article favoring the building of atomic power reactors by private industry rather than by AEC. p. A4513
25. FOREIGN TRADE. Rep. Lanham inserted a letter and spoke in favor of limiting the import of textile goods. p. A4508
26. COTTON. Rep. Gavin inserted a newspaper article suggesting that cotton producers were more willing to receive Government subsidy than attempt to meet the market conditions. p. A4512
27. INFORMATION. Rep. Priest inserted a speech by Mr. Mollenhoff, Des Moines Register and Tribune, commending the work of the Moss Subcommittee on Government Information and urging liberalization of Government information programs. p. A4522
28. SMALL FARMER. Rep. Bass inserted certain letters from his constituents describing personal observations on the plight of the small farmer and criticizing the present farm program. p. A4524
29. ROADS. Rep. Canfield inserted a telegram from Gov. Meyner urging the adoption of the Fallon formula for allocation of road building funds to the States, in order to equalize the needs of the States and the funds to be allocated to them. p. A4525
30. FOREIGN AID. Rep. Smith, Wis., inserted a newspaper editorial describing certain errors in the administration of the foreign aid program. p. A4526

#### BILLS INTRODUCED

31. ANIMAL DISEASE. S. 4002, by Sen. Murray (for himself and Sen. Mansfield) and H. R. 11626, by Rep. Metcalf, to provide for the establishment of a Western Research Laboratory for the study of animal disease at or near Montana State College; to Agriculture Committee. Remarks of Sen Murray, p. 8634.
32. FARM LOANS. S. 4004, by Sen. Welker, to amend the act of April 6, 1949, as amended, so as to authorize the Secretary of Agriculture to extend the repayment period on certain disaster loans made under the provisions of such act; to Agriculture and Forestry Committee.
33. LANDS. S. J. Res. 179, by Sen. Stennis and H. J. Res. 642, by Rep. Smith, to authorize and direct the Secretary of Agriculture to quitclaim certain property in Coahoma County, Miss., to the House Demonstration Club of Rena Lara, Miss., Inc.; to Agriculture Committees.
34. VETERANS' BENEFITS. H. R. 11623, by Rep. Hayworth, to provide that veterans may continue to accrue eligibility for education under the Veterans' Readjustment Assistance Act of 1952 for so long as conscription continues, and that hereafter the Administrator of Veterans' Affairs shall pay tuition charges for veterans receiving education under that act; to Veterans' Affairs Committee.



# House of Representatives

WEDNESDAY, JUNE 6, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who alone art acquainted with our many needs and knowest that we are not sufficient of ourselves to meet them, grant that in our walk and work during this day we may be guided by Thy infallible wisdom and guarded by Thy infinite power.

We beseech Thee to bless our President, our Speaker, and the Members of the Congress with Thy bountiful grace and prosper all the efforts that are being made to maintain our country's honor and security, health and strength.

May the hardships and adversities, which we are encountering in the great adventure of establishing peace on earth, never cause us to doubt Thy care or disturb our faith in Thee, but may we be strong and of good courage, assured that Thy divine providence will continue to protect and preserve us.

Hear us in Thy love and mercy through Jesus Christ, our Lord. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3638. An act to promote the foreign policy of the United States by amending the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.).

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9720. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HILL, Mr. CHAVEZ, Mr. RUSSELL, Mr. MAGNUSON, Mr. STENNIS, Mr. CLEMENTS, Mr. TAYE, Mr. MUNDT, Mrs. SMITH of Maine, Mr. DWORSHAK, and Mr. POTTER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is

requested, a bill of the House of the following title:

H. R. 10003. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1957, and for other purposes.

The message further announced that the Senate insists upon its amendments to the foregoing bill disagreed to by the House, and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. McCLELLAN, Mr. JOHNSON of Texas, Mr. BIBLE, Mr. DIRKSEN, Mr. YOUNG, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1026. An act for the relief of Nihat Cengiz; and

S. 1244. An act for the relief of Eva Gerstein Rubinstein.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6143) entitled "An act to amend the Internal Revenue Code of 1939 to provide that for taxable years beginning after May 31, 1950, certain amounts received in consideration of the transfer of patent rights shall be considered capital gain regardless of the basis upon which such amounts are paid."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9390) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1957, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 18 to the foregoing bill.

## DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL 1957

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9720) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957, and for other purposes, with Senate amend-

ments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. FOGARTY, FERNANDEZ, LANHAM, DENTON, CANNON, TABER, HAND, and JENSEN.

## KANSAS CITY, KANS., PRIME RIBS OF BEEF

The SPEAKER. The Chair recognizes the gentleman from Kansas [Mr. SCRIVNER], who has a pleasant announcement to make.

Mr. SCRIVNER. Mr. Speaker—

You have tried the rest, now taste the best: Kansas City, Kans., prime ribs of beef.

That is the first paragraph of a letter which should be on your desk and the desk of every Member of the House of Representatives. In case you have not seen it, the next paragraph, and the most important one, of the letter reads as follows:

You are invited to be my guest for the meat portion of your lunch Thursday, June 7, in the House restaurant, and enjoy a serving of Kansas City, Kans., prime ribs of beef. This taste treat is made possible through the courtesy and cooperation of the Kansas City, Kans., plant of Armour & Co., a recovered flood victim, the Kansas City (Kans.) Chamber of Commerce and a group of friends.

Mr. Speaker, as I pointed out in my invitation, you have had Wisconsin cheese, Indiana tomato juice, Idaho and Maine potatoes, Texas onions, California and Florida orange juice, Georgia watermelon, Virginia peanuts, and last, but by no means the least delectable, fishsticks from Gloucester, Mass. They were all good. I trust you will find that this Kansas City, Kans., prime ribs of beef is the best yet.

I feel quite sure good beef is one subject that Republicans and Democrats alike will agree on, and I will be delighted to have you as my guests tomorrow.

(Mr. HAND asked and was given permission to extend his remarks at this point.)

[Mr. HAND'S remarks will appear hereafter in the Appendix.]

## FOREIGN AID BILL

(Mr. DAVIS of Georgia asked and was given permission to extend his remarks at this point.)



Mr. DAVIS of Georgia. Mr. Speaker, I have some remarks I wish to make about the bill which we take up in the House today, the foreign aid bill.

From the very beginning I have questioned the wisdom of trying to buy the friendship of other nations. Nevertheless, I was willing to give it a trial. I voted for this program with serious misgivings during my first term here in Congress. I am now convinced that history has shown that my doubts were fully justified. The time has long passed when there is any justification for burdening American taxpayers with economic aid for nations all over the face of the earth, and I have for a long time been voting to eliminate this burden. We have even given a half billion dollars to Communist Yugoslavia, over my protest, and \$52 billion of our \$27 billion national debt represents money we have given to foreign nations since the end of World War II.

It is alarming to me that we are blindly pursuing a course that is contrary to the fundamental principles on which this country was founded. A wise man may make a mistake. Only a fool refuses to recognize that he has made one.

We have spent billions on various forms of foreign aid. Today we have fewer friends than we had at the start. It is admitted that we are slipping from international leadership in many ways. I think it is high time that we stop and reconsider. We must do that before we lose all of our friends.

I said that our present course in international relations is opposed to the fundamentals upon which our Nation is built and I repeat it. We built a nation on the integrity and effort of the individual. We are proud of the fact that basically we are an honest, God-fearing, business-like people. It seems to me that we are forgetting these principles in our use of dollar diplomacy.

You cannot buy true friendship nor does any decent, self-respecting person like to be put on charity. Yet that is exactly what we are trying to do to all of our allies and friends. We are trying to make them wards of our charity. We are trying to put them on the dole and expect them to like it. They want our respect not our charity.

We state that our aid has stopped communism in many countries. We brag, openly for all to hear, that we have been able to buy elections in other nations. Have we forgotten that buying elections is a crime in this country? Do we have two sets of morals, one for us and one for the rest of the world? It would seem so.

Of course, others want our money. But they resent being made wards of an international charity. What decent, self-respecting nation would not?

We have been running a multibillion-dollar giveaway program, an international WPA program. Those initials mean it "Won't Produce Anything."

I am opposed to what we are now doing. I am opposed to the way we are doing it and the results we are getting. It does not make sense to me to spend money to get what you do not want. I think a good title for this measure would

be a bill to spend money and lose friends.

I do not quarrel with what is supposed to be the intent of this measure, but I am violently opposed to the method. We can accomplish the intent—to increase world markets and make friends. We can do that without sacrificing any of our American ideals. But first of all, we must start treating all the nations as nations, not as wards of our charity or as corrupt political machines to be bought with our dollars.

This entire program can be handled as a business venture. We can introduce good, sound, American business practices into it and make friends instead of losing them.

First of all, we should say to each nation, we need certain raw materials and you need help to develop your resources. We will help you develop your resources as an investment. In return we expect, through trade arrangements and payments, to get our money back, plus a reasonable rate of interest. That is no more nor less than sound business. It would also remove the stigma of the dole. In other words, we would treat them as partners in a business venture. Both sides would be expected to profit directly, just as we do in this country.

We could then say, if you need any technical advice or assistance we can help you arrange for it at cost. Such help would be limited to the needs of the country and its ability to finance the project. This could be handled just as a management or industrial engineering firm assists private industry in this country.

I recognize that this would call for an about-face in our international diplomacy. I realize that it means practicing abroad what we preach at home. I firmly believe that if we did so we would gain respect in the eyes of the world. We would do so because we would be doing unto others as we do unto ourselves.

If such an approach were taken I would gladly lend my support. But it is long past the time to put an end to the bungling method we have been pursuing, of scattering taxpayers' money to every corner of the world while losing friends all the time.

#### COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### THE LATE WILLIAM E. LEAHY

(Mr. McCORMACK asked and was given permission to extend his remarks at this point.)

Mr. McCORMACK. Mr. Speaker, the death of William E. Leahy is felt with deep regret by his many friends. One of the ablest lawyers of the country, Bill Leahy devoted his unusual talents for the benefit of country and mankind. He was a great American.

His activity in civic affairs and charitable activities were known to all. His charming personality endeared him to all who knew him.

Bill Leahy was a man of deep faith. He loved and served God and country. He was a devout communicant of the Catholic church.

An active practicing attorney for 42 years as prosecutor and as defense attorney, Bill Leahy was recognized by the bench and the bar as one of the outstanding lawyers of our country. His profound knowledge of law, his great ability in examination of witnesses, particularly in the important field of cross-examination, coupled with his eloquence in argument to court or jury and his keen analytical mind and charming personality—qualities very seldom possessed by one man—earned for him his preeminence as a lawyer. As has well been said, "His arguments to juries were considered masterpieces of oration."

I first met Bill Leahy shortly after I first came to Congress 28 years ago. A friendship blossomed at our first meeting which strengthened as the years passed. I valued his friendship very much.

Bill Leahy was always willing to do a favor for a friend, to help the sick, the afflicted, the unfortunate. Bill was loyal to his friends. He was a man of charity.

The death of Bill Leahy takes from the city of Washington one of its outstanding citizens. His death leaves to his friends a gap that will never be filled.

I shall miss my dear friend very much. Mrs. McCormack joins with me in extending to Mrs. Leahy and to his sisters and other loved ones our deep sympathy in their great loss and sorrow.

Mr. Speaker, I ask unanimous consent that all Members who may desire to do so may extend their remarks in the RECORD following my remarks in relation to the late William E. Leahy, and that other Members may have 5 legislative days to do the same thing.

The SPEAKER. Is there objection? There was no objection.

#### MUTUAL SECURITY ACT OF 1956

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 515) providing for the consideration of H. R. 11356, a bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the con-



clusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Indiana [Mr. MADDEN] is recognized.

### CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 57]

Barrett	Harden	Patman
Bell	Herlong	Philbin
Berry	Heseltun	Pillion
Bolling	Hillings	Polk
Brooks, La.	Holifield	Powell
Brownson	Holt	Prouty
Burnside	Jackson	Reed, N. Y.
Davis, Wis.	Johansen, Mich.	Scherer
Dawson, Ill.	Jones, Mo.	Seely-Brown
Deane	Kearney	Shelley
Diggs	Kelley, Pa.	Sheppard
Donovan	Kilburn	Sieminski
Dowdy	Krueger	Sikes
Doyle	Lane	Simpson, Pa.
Durham	McCarthy	Steed
Eberharter	McConnell	Taber
Frazier	Magnuson	Thornberry
Gamble	Miller, Calif.	Utt
Gubser	Miller, N. Y.	Wharton
Gwinn	Morrison	Wilson, Calif.
Hagen	Moulder	Winstead
Hale	Nelson	
Halleck	O'Hara, Minn.	

The SPEAKER. On this rollcall 359 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### MUTUAL SECURITY ACT OF 1956

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, this resolution provides for an open rule and 1 day's debate on the bill.

H. R. 11356 authorizes an appropriation of \$3,563,475,000 for foreign aid deemed essential to the security of the United States.

The authorization for military assistance, that is, weapons, equipment, and training is \$1,925,000,000. The Foreign Affairs Committee reduced the President's request by \$1,109,000,000. The committee expressed the view in its report that if equipment already financed from prior appropriations and now scheduled for Europe is diverted to Asia, the Near East, Africa, and Latin America, this amount is adequate to carry forth the military programs in these countries. According to the latest information available, November 30, 1955, \$6,405,643,000 of undelivered military items were in the pipeline. Of this

amount \$3,634,303,000 of military equipment was scheduled for Europe.

The amount for defense support to those countries receiving direct military assistance, and who are financing military programs too large for their own resources to support, is \$1,147,700,000. Funds are also authorized for development-assistance programs in the amount of \$243 million. This amount is for loans except when funds are used to finance sales of surplus agricultural commodities. There are 3 technical-assistance programs in which the United States participates for which a total of \$157,500,000 is authorized. These are mainly in the fields of agriculture, health, and sanitation and education.

Other programs covered in the bill include the President's special fund of \$150 million which may be used in furtherance of the purposes of this act or any act if the President determines that such use is important to the security of the United States; another \$100 million is authorized to be made available to the President to take care of unforeseen contingencies affecting the security of this country.

Funds are earmarked for financing the export and sale to foreign countries of surplus agricultural commodities. Provision is also made for the payment of ocean freight on surplus agricultural commodities and relief packages. Two million, three hundred thousand is the contribution for 18 months for the United Nations refugee fund. Seven million dollars is provided for the United States escapee program to provide care, maintenance, and resettlement assistance to anti-Communists in Europe and the Far East. The United States contribution to the United Nation's Children's Fund is \$10 million.

Provisions under existing law relating to the investment guaranty program are broadened. It is hoped to encourage a long-term policy that will involve private investment, thus reducing the cost to the Government.

The atoms-for-peace program is included in three different parts of the security program—the Asian nuclear center is financed from the President's fund for Asian economic development; the training of individuals in the peaceful uses of atomic energy is financed from funds for the technical cooperation program, and section 11 of the bill provides the means to assist free nations in acquiring research reactors for the development of atomic energy for peaceful purposes.

Section 7 of the bill contains a statement of policy, that is, of continuing aid to free nations as long as danger to the peace of the world and the security of the United States persists. It is the belief of the Foreign Affairs Committee that this will give assurance to the free nations of the continued backing of the United States and, at the same time, permit the Congress to evaluate the situation each year and act accordingly.

I fully realize that the expenditure of billions of dollars in cooperating with free nations is a controversial problem and many Members of Congress, including myself, are apprehensive as to the

degree and the extent that this Mutual Security program should be modified and curtailed. We have already spent billions since the shooting war stopped to help rehabilitate and re-establish the economy of nations that were bombed and annihilated during the shooting war. I am not in sympathy with those who say that most of this money was wasted. The people of the Nation realize that if this money had not been spent, the Communist dictators could easily have all Asia, Europe, and Africa under their domination today. In fact, General Eisenhower in 1950 returned from Europe to testify before the House and Senate Foreign Relations Committees in behalf of the mutual security program. At that time, as general and leader of the European defense, he stated that the Marshall plan aid to Greece and Turkey and other expenditures and aid which had been spent since the end of the war, no doubt, saved Western Europe from capitulating to Soviet communism. I do not think it is proper to label these expenditures as gifts to foreign nations because the United States is recognized as the world leader and our future liberty and freedom depends upon curtailing the spread of world communism. The dollars that we are spending in a program of this kind is not only a contribution to the freedom of other peoples in the world, but it is an expenditure as insurance against the loss of our own freedom, liberty, and self-government.

I am very much in favor of the Members of the House giving close scrutiny and unlimited debate to different provisions of this legislation and especially the section of the bill that refers to mutual aid to Tito and Yugoslavia, considering the recent developments of the close relations and cooperation between Tito and the Kremlin. I believe the House should pass this rule without delay so that we can go into Committee of the Whole and debate and offer amendments to this legislation so as to continue a practical program of Mutual Security with other free nations in our program to preserve freedom for all mankind.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Iowa.

Mr. GROSS. As I understand it, the 10-year program insisted upon by the Administration is out of this bill. Is that correct?

Mr. MADDEN. That is my understanding.

Mr. GROSS. But substituted therefor is a statement of policy which provides that this program continue on an unlimited basis, perhaps for 20 years. Is that correct?

Mr. MADDEN. That is not my understanding. The committee report that it can be reviewed from year to year by the Congress.

Mr. GROSS. Yes, but the statement of policy has no time limitation. Is that correct?

Mr. MADDEN. The statement of policy can be reviewed from year to year by the Congress.



Mr. GROSS. A 10-year program could be reviewed from year to year by the Congress if the Congress was so disposed. One session of Congress cannot bind another.

Mr. MADDEN. It is not my understanding that it is not binding the Congress for any set period of time beyond 1 year.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that the statement of policy has a time limit, that is, that we are going to stick to this thing as long as the danger of international communism to our own security persists? We are not going to lie down while that danger continues. That is the limitation of time in there.

Mr. MADDEN. That is my understanding, with the Congress reviewing this program each year.

Mr. GROSS. In the light of past experience, does the gentleman think this thing will ever end?

Mr. MADDEN. The gentleman would not be in a position to determine what international complications may happen in the future.

But, if we should happen to get into a war next year or in the future, it is hard to tell when that war would end and what would be the consequences as to the future of our country and the free world if such a catastrophe should hit.

Mr. Speaker, I yield 30 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House has heard the description of the bill as given by the gentleman from Indiana [Mr. MADDEN]. I come before the House now to urge the adoption of this rule which provides for a full day of debate on the Mutual Security Act of 1956. The committee in its report on page 2 has this rather condensed statement regarding the bill:

The funds authorized in this bill, together with the funds already available from previous appropriations, and the changes in existing law which this bill provides should make it possible for us to meet our commitments to our allies, to help those newer governments which cannot continue to be free and independent without economic and technical assistance, and to take whatever other action may be necessary to counter new efforts by the men in the Kremlin and in Peiping to bring free nations and peoples under their domination.

Mr. Speaker, after having put in considerable time and effort to determine to my own satisfaction just what is involved specifically in this bill, I have come to the conclusion, and I believe the Members of the House will have to come to the same conclusion, that there is not enough information contained in the report on the bill or any other documents available to us to really permit a clear and careful determination in each of our own minds as to just exactly what we do when we pass this authorization bill. In other words, I think we have to take this particular legislation on faith. The foreign policy of our Nation, as we all know, is a matter for determination by

the President and the executive branch. We ourselves cannot enter into a study of each and every detail of a program of this kind, and it is not our function. We are now in the process of considering the recommendations brought to us by the Chief Executive. In endeavoring to determine what those recommendations are we run into many difficulties, as I have said. I would like to know just exactly how much money is allocated to each of the separate countries under the various heads. I turn to the table on page 3 and I find, where the dollar figure should be, nothing but X's. I made inquiry as to why those figures are not given, and the response was they are considered to be classified. I then tried to find out, as some of you may have, what the relationship is between the aid incorporated in this bill and the total expenditures of other countries which we are aiding, to find out what the relation of our contribution is to their total. That is likewise classified material. The question is, Shall the recommendation of the President be approved? That is just about what it amounts to.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. MASON. Have we not for the last 11 years taken on faith the appropriations we have made for these foreign giveaway programs of something over \$50 billion, and have we not been disappointed in many respects in our faith in Tito, in India, and in many of the nations to whom we have handed out these gifts?

Mr. ELLSWORTH. The gentleman is correct, certainly on one point. That is that we have every year taken this entire subject on faith, just as we are required to take it on faith this year.

Mr. MASON. I am a man of little faith, and I have not taken any of it during these last 10 years.

Mr. ELLSWORTH. I thank the gentleman for his observation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. GROSS. The gentleman read from page 2 of the committee report in which it is stated that this authorization bill and subsequent appropriations is necessary to meet our commitments to our allies.

On page 11 of the same committee report I call the gentleman's attention to the following language:

In nearly all of the countries where our troops are stationed a speaker receives hearty applause if he speaks against subservience to the United States and urges his government to follow an independent course.

In the light of that statement, I wonder what our commitment should be to our so-called allies.

Mr. ELLSWORTH. To give an answer in the way of a comment to the gentleman's question, we must all realize that you just cannot buy friendship with money from the United States Treasury. I think it is quite a misunderstanding to consider that we are expending this money for the purchase of friendship. I look upon the money authorized in this bill and the money ap-

propriated for this purpose as being expended in intelligent self-interest.

In other words, with this money we hope to support the operation in other countries of 200 infantry divisions, 300 air wings, 2,000 naval ships, which we, I think, have a right to consider may be of help in preserving our own national security. It is this practical self-interest that motivates us, rather than any effort to buy anybody's friendship.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Iowa.

Mr. GROSS. Now that the gentleman has mentioned the military aspect, was the Rules Committee given any information as to what has happened to 50 divisions that were supposed to be in NATO by the end of 1952? Does the gentleman think there are 50 divisions in NATO today?

Mr. ELLSWORTH. I will have to say to the gentleman that the Rules Committee did not inquire into that detail. That is a matter that I think the general debate on the bill will have to reveal to the gentleman.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. MADDEN. I may say in answer to part of the question raised by the gentleman from Iowa that in a number of instances some of these indignities and insults have been hurled at our boys across the water have been Communist inspired and do not come from the leaders of the people of the country to which this aid is going.

Mr. ELLSWORTH. I think there is no doubt about that, and those of us who have traveled abroad know that there are demonstrations of all kinds against the United States arranged by the Communists.

Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. SMITH].

(Mr. SMITH of Wisconsin asked and was given permission to revise and extend his remarks and include an article.)

Mr. SMITH of Wisconsin. Mr. Speaker, I do not rise to discuss the merits of the legislation before us, but I think it might be quite appropriate at this time to call attention to the fact that when the final gavel falls on this session it will bring to an end the illustrious career in this House the exceptional service rendered by the chairman of the Foreign Affairs Committee, JIM RICHARDS, as we know him.

Recently an article appeared in the New York Times of Friday, May 18, and the writer went on to tell something about the history of JIM RICHARDS. That article is entitled "A Quiet Congressman." I call particular attention to the last paragraph:

He's just a real old down-to-earth South Carolinian who loves to hunt and fish, loves his farm, and loves his cows.

I would love to add: "And he loves his fellow man." What more can be said of any man?

Mr. Speaker, I am sure that later on at the conclusion of this session of Congress tributes will be paid to our dis-



tinguished colleague, but it seemed to me appropriate that as we get into the final phases of this, the last bill with which he will have something to do, that we call attention to the fact that he is leaving us. All the members of our committee have a high regard for him. He has so conducted the affairs of his committee that hardly at any time has there been any question of party politics. I think that is a splendid tribute to a great man, a great American, a soldier, a patriot, and a great statesman.

I call your attention to the full text of the article which I insert at this point:

[From the New York Times of May 18, 1956]

A QUIET CONGRESSMAN: JAMES PRIOLEAU RICHARDS

WASHINGTON, May 17.—The Pittsburgh Pirates lost a budding prospect for their outfield a few decades back when JAMES PRIOLEAU RICHARDS chose law over baseball.

As a result of that decision, Mr. RICHARDS now is winding up 23 years in Congress in a style that can only make the Republican administration wish he had stayed with baseball.

Today, as chairman of the House Foreign Affairs Committee, Representative RICHARDS was in the vanguard of congressional forces that dealt the President's foreign-aid proposals a severe defeat. President Eisenhower, who was a pretty good pitcher at West Point, might well be wishing tonight that Mr. Richards had accepted that offer from the Pirates.

The foreign-aid action and the coming fight on the House floor will be Mr. RICHARDS' curtain bow on the congressional stage. He is quitting this year and going back to South Carolina to practice a little law, hunt, fish and tend to his cattle.

Though his position makes him one of the most important men in the House of Representatives, he remains relatively unknown compared to his compeer, Senator WALTER F. GEORGE, of Georgia, chairman of the Senate Foreign Relations Committee.

#### RICHARDS' ANGER RECALLED

The reasons for this are two:

First, Mr. RICHARDS, a persuasive southern international nationalist of judicial training, is not given to the political grandstanding of which Washington headlines are made.

Second, the House committee never has attained the pivotal importance of the Senate group, largely because the Constitution charges the Senate with the greater responsibility for overseeing the conduct of foreign affairs.

On occasion, the administration tendency to treat the House group as a poor cousin of the George committee has moved Mr. RICHARDS to jealous defense. Last February, for example, he denounced the administration for treating the House like a "weak-minded, illegitimate son" and got an apology from the State Department.

The Capitol consensus is that the House committee has gained fresh prestige under his direction.

Mr. RICHARDS, born in Liberty Hill, S. C., in 1894, is now a robust 61 years old. He is a big man, tall and powerfully built, and his carriage still is that of the athlete. A full shock of silvery gray hair and a deep ruddy complexion round out the picture of a politician who even now would not look out of place in the role of baseball manager.

He began as a farm boy and took a year at Clemson College with the idea of mastering the agricultural sciences. At the end of the year, he was interested in law and shifted to the University of South Carolina.

By 1921, he was in practice back in Lancaster, near his home, and a year later he

was launched into politics as county probate judge. He held that office until South Carolina sent him to Congress in 1933.

In World War I, he enlisted a few days after President Wilson's declaration, served in France with a trench mortar battalion and rose from private to second lieutenant.

His appointment to the Foreign Affairs Committee came in 1935. As chairman, he shares with Senator GEORGE the chief burden of congressional responsibility for this country's international affairs. The position also calls for him to share in the formulation and development of foreign policy through prior consultations with the executive branch.

The job is a full-time one and leaves little leisure for the hunting and fishing that are his favorite pastimes. He lives with his wife, Mrs. Katharine Wylie Richards, in Georgetown, and has a son and a daughter in college and another son practicing law in South Carolina.

He has not been entirely lost to farming. When he leaves Washington this summer, he will divide his time between law practice and his cotton and cattle farm at Health Springs, near Lancaster.

An old friend, summing him up today, said:

"He's just a real old down-to-earth South Carolinian who loves to hunt and fish, loves his farm and loves his cows."

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Indiana.

Mr. ADAIR. Mr. Speaker, I should like to associate myself with the views expressed by the gentleman from Wisconsin. As he has so well pointed out, the gentleman from South Carolina [Mr. RICHARDS] has presided over the House Committee on Foreign Affairs at all times in a friendly, fair and equitable manner. We are all aware of the fact that sometimes when tensions were a little great and feeling ran somewhat high, his gentle humor in many instances relieved the tension and enabled a relaxed committee to reach proper decisions. He shall be missed by this House but his wise counsel and leadership will be long remembered. We wish him many pleasant years in his beloved South Carolina.

Mr. SMITH of Wisconsin. I thank the gentleman.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Ohio.

Mr. VORYS. Mr. Speaker, I want to join the gentleman in his tribute to our chairman. Mr. Speaker, I confess that I come to the floor of the House at this time with a bit of a lump in my throat as I realize that Chairman DICK RICHARDS is headed for the last roundup as far as this mutual security legislation is concerned. I want to join with the gentleman from Wisconsin in the tribute he has paid and I want to commend the gentleman for bringing this up early in these proceedings today.

DICK RICHARDS is a great American and a good fellow and my very dear friend. I have fought with him toe-to-toe and shoulder-to-shoulder and I might say that I would rather be shoulder-to-shoulder with him than toe-to-toe. But wherever he stands in a fight you will find he is a fair fighter, a fast friend and a true American. I join in the tribute the gentleman has paid DICK RICHARDS.

Mr. SMITH of Wisconsin. I thank the gentleman for his remarks. I know what he refers to when he says he has fought toe-to-toe with him. I only hope that in this debate on the program now before us I do not become involved with the gentleman from South Carolina in such a way that he might use the old swamp owl treatment on me.

Mr. SMITH of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. I want to join in the tribute of the gentleman from Wisconsin and the other gentlemen which has been paid to the chairman of the House Committee on Foreign Affairs who is retiring from the Congress after the present session. When the history of these difficult years that have followed World War II is written, the contribution DICK RICHARDS has made in the buildup of the strength of the free world, in the maintenance of unity in the United States, in developing this foreign policy that is so difficult a burden to carry legislatively, will rank equally with that of any other Member of either body.

A lot of tributes have been paid in the past to various Members of Congress. But DICK RICHARDS has carried a large part of this burden. He has carried it so well that he has received comparatively little attention from the press of the country. He has been like the ballplayer who makes the hard plays look easier.

Certainly when the analyses are made of the foreign policy program of any administration in power in the last few years that has been carried into effect with the cooperation of the Congress, the contribution of DICK RICHARDS will rank as the greatest of all.

Mr. SMITH of Wisconsin. I thank the gentleman.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. ELLSWORTH. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mrs. KELLY of New York. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from New York.

Mrs. KELLY of New York. Mr. Speaker, I want to join my colleagues in paying tribute to Hon. JAMES P. RICHARDS, the very able chairman of the Foreign Affairs Committee of the House of Representatives. I have served with Mr. RICHARDS as a member of the Committee on Foreign Affairs for the past 6 years. I feel that no one has given me a greater insight into the problems of our country and of the world than has Mr. RICHARDS. I am proud to have served with him, to have known him. He is a man of great ability, integrity, and honesty. I feel very badly that the State of South Carolina did not demand that he return to the halls of this Congress. I feel he has added much to our great institutions and that he alone is responsible for carrying us over this very difficult period in our history. However, since he has made this determination to retire, I hope that he, his wife, and family will enjoy health and happiness in the years to come.



Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Illinois.

Mr. CHIPERFIELD. I desire also to associate myself with the remarks of the gentleman who has paid great tribute to our very beloved friend, DICK RICHARDS, of South Carolina. I wish him and his family well and every success in the future.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, the gentleman from South Carolina [Mr. RICHARDS] is one of the outstanding Americans of this trying period. His service in this House of Representatives has been constructive and of a nature to occupy prominent pages in the history of our country when the history of this period is written, particularly when it can be written in an objective manner removed from the emotionalism of this period. I am sorry that the gentleman is voluntarily retiring from the Congress. He and I have been close personal friends for many years. He has been one of the strong chairmen of the important Committee on Foreign Affairs. Fortunately we have had great chairmen during my 28 years of service here, but none have been greater or stronger or more able than our distinguished friend from South Carolina. We shall all miss him very much, and we wish him every happiness and success for countless years to come. We hope he will come back to the House and visit us frequently in the years that lie ahead.

Mr. SMITH of Wisconsin. I thank the gentleman from Massachusetts.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I am very happy to join my colleagues in giving recognition to our highly esteemed chairman, the gentleman from South Carolina [Mr. RICHARDS]. As chairman of the Far East Study Mission last year, I first heard of the voluntary resignation of Mr. RICHARDS when the study mission was in Teheran. All members of the group were deeply moved and disappointed. We wired Mr. RICHARDS and asked him to reconsider. His reputation is known throughout the world. As we traveled on throughout the Middle East, Southeast Asia, the Far East and Western Pacific, wherever we visited, everybody expressed regret at the news of Chairman RICHARDS' decision to retire. I join with my colleagues in wishing him well for many, many years to come.

He has served the people of this State and our Nation with exceptional distinction for over two decades. His wise counsel and leadership will be sorely missed in the Halls of Congress. It is the hope of many that in the future our Nation will have the continued benefit of Mr. RICHARDS' wide experience and ability.

Mr. CARNAHAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Missouri.

Mr. CARNAHAN. Mr. Speaker, I want to join my colleagues in paying a tribute of appreciation to DICK RICHARDS. I have served under Chairman RICHARDS during his entire time as chairman of the Committee on Foreign Affairs. His wisdom and forethought have given guidance and direction to the work of this great committee; not only to the committee but also to the entire House of Representatives. I wish for Chairman RICHARDS and his family the greatest happiness.

Mr. SMITH of Wisconsin. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GORDON. Mr. Speaker, we have all heard with deep regret the decision of the Honorable JAMES P. RICHARDS, Democrat from South Carolina, to retire from the House of Representatives.

Mr. RICHARDS has served his country with exceptional skill and devotion as a Member of the House of Representatives since the 73d Congress. Early in his congressional career—the 74th Congress—he became a member of the Committee on Foreign Affairs, and it has been my privilege to know and serve with him on that committee since the 78th Congress.

On May 15, 1951, following the death of the late Judge Kee, Mr. RICHARDS was elected chairman of the Committee on Foreign Affairs, which chair he filled with particular distinction for the remainder of the 82d Congress and again during the present Congress.

During his long tenure, Mr. RICHARDS has consistently won the admiration of Members on both sides of the table with his fairness, his firmness, his innate good sense, his leadership. We shall all miss this wonderful friend and leader.

Our beloved chairman retires from this House with the respect of all and with the best wishes for the well-being and happiness of himself and his family wherever they are and whatever they do.

Mr. FEIGHAN. Mr. Speaker, I appreciate this opportunity afforded me again to express my admiration, appreciation, and keen respect for the great public service rendered the Nation by the distinguished chairman of the Foreign Affairs Committee. It has been my pleasure to know the gentleman for nearly 14 years and during that time I have observed many occasions when he has exercised that unusual quality of leadership which marks the statesman. Only last year at a time when our national affairs were being allowed to drift into the dangerous paths of believing that there was merit to the Communist proposal for peaceful coexistence, the distinguished gentleman from South Carolina stood in the well of this House and delivered a stirring and moving warning on the dangers confronting our Nation as a consequence of the latest shift in tactics of the Kremlin. At that time I remarked that it took unusual courage and great dedication to duty to make such a bold and forthright analysis

of the effort being made to manipulate our national affairs so as to make impossible any real opposition against the Communist propaganda and political offensive. We Members of the House have seen many other occasions when the able Chairman rose up to meet issues having a critical bearing on the future security and welfare of our Nation. Today he has again demonstrated that his first consideration is the national interest and that he allows no part for partisan consideration on questions that have to do with the security and welfare of the American people.

We will sorely miss this high quality of leadership in future sessions of Congress, but we will never forget our good friend and colleague and the high standard he has set for those who will follow in his footsteps. I join with my colleagues in wishing our esteemed colleague every happiness in the future.

Mr. JOHNSON of California. Mr. Speaker, under leave granted by you to all Members to extend our remarks in the body of the RECORD following the remarks of the gentleman from Massachusetts [Mr. McCORMACK] I shall make a few on comments concerning the distinguished chairman of the House Foreign Affairs Committee.

In the House the word "distinguished" is referred to many Members rather loosely. However in the reference to JAMES P. RICHARDS, the chairman of the House Foreign Affairs Committee, considering the position he occupies and the contributions he has made in the field of foreign affairs, "distinguished" is the only word that properly applies to the gentleman.

I had the pleasure of meeting Mr. RICHARDS shortly after I became a Member of the House. I listened to what he had to say with much interest and respect. Here was a man who after mature deliberation, after hearings in his committee, was willing to speak his mind and tell the House what his conclusions or recommendations were. From others, especially one Member who is now deceased, I was told that "RICHARDS is courageous, honest, and reliable. You can count on what he says as being his real convictions." I think it is fair to state who this Member was as I feel certain that Mr. RICHARDS must have known the high regard the man had for him. That Member was Karl Stefan, of Nebraska, who was the subcommittee chairman of the Appropriations Committee that considered the needs of the State Department and made the appropriations therefor, after its recommendations had been approved by the Appropriations Committee.

Then later I came to know Mr. RICHARDS because my daughter married a fine young man who lived in the city of Lancaster, where Mr. RICHARDS and his fine son had their law office.

It is unfortunate that after all this comment on Mr. RICHARDS that I should differ with him slightly concerning his stand on the bill before us. This is because I have so much faith in what President Eisenhower wants to do that I simply cannot deny his request. He undoubtedly has a wider view of this problem than the distinguished chairman of



the committee. Also, what he suggests sounds so reasonable to me that I think we should give him what he has requested, with one reservation. If an amendment is offered to delete from the President's requests or suggestions any amount for Tito of Yugoslavia I feel I must vote for such a minor amendment.

The distinguished chairman has been a distinct success in every field of human endeavor in which he has participated. As a husband, as a father, as a friend, as a legislator, and as a committee chairman he has been tops.

Mr. MADDEN. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ELLSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I support the adoption of this rule only because it should prove interesting to hear those who profess so much concern for the American taxpayer try to justify a continuation of this multi-billion-dollar giveaway program.

It will also be interesting to note who among the leaders of Congress, regardless of political complexion, who trooped to the White House last evening, will come into the well of the House today and tomorrow and attempt to restore the puny cuts made by the committee in this extravagant program which will have some \$7½ billion available for the next fiscal year if not a single dime of new money is authorized through this bill.

Will these leaders resort to the old wheeze and assumption that communism has been and will be halted by continued flights into the realm of fancy; that patriotism, love of country, freedom, and national morality are items for the auction block and can be purchased with American dollars?

Incidentally, if and when these leaders take the floor to do the bidding of the executive department, let them state for the record what millions upon millions of dollars, bled from our taxpayers, has accomplished in Yugoslavia. It will be remembered that last summer Secretary of States Dulles, hat in hand, paid a visit to Dictator Broz, alias Tito, who brought out his newest speedboat and gave Dulles a fast ride. The spray had hardly settled when it was announced some 20 or 30 million dollars had been allotted the Yugoslavia dictator to build a nice, new, superhighway. For American taxpayers, this is one of the most expensive boat-rides they have ever given one of their public officials.

But the real payoff came a few days ago when the Yugoslav dictator, strutting in all his splendor in Moscow and Russian way points, announced to

the wide world that never again would anything happen to divide him from his pals in the Kremlin. Who in this House now covets the role of apologist for Tito?

And let those who now seek to increase the giveaways under this program and continue these indefinitely, for the declaration of policy in this bill does just that, tell us where stand our so-called free world friends in terms of firm military support for NATO, upon which we have lavished hundreds of millions of dollars. Let them tell us what became of the 50 divisions that were promised for NATO by the end of 1952. Or, with the appointment of NATO's "three wise men," none of whom is a representative of this country, it is proposed to make this an economic and social organization—another spout to the funnel through which additional billions of American tax dollars will evaporate?

It will be interesting, too, if we may hear from our leaders where in the heavily populated areas of Asia our money has bought reliable allies.

Yes, let us vote this rule and then hear from these spokesmen the cold, hard facts of what has been accomplished and what has not been accomplished since the end of World War II through this program and the spending of more than \$60 billion. This money has been gouged out of the taxpayers and they are entitled to a full accounting. It is the responsibility of this Congress—at long last—to provide the facts rather than assumption, presumptions, and flights into a dream world as has been the story of the past.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 11356, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RICHARDS. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, I first want to express my appreciation for the kind remarks that have been so generously made relative to my service here.

Mr. Chairman, we have before us this afternoon H. R. 11356, the 1956 mutual-security bill. It contains authorizations for \$3,563,475,000. Although it is \$1,109,000,000 less than the Executive requested, it is larger than the amount authorized a year ago by \$277,675,000 and larger

than last year's appropriation by \$860,133,250.

The Committee on Foreign Affairs has held extensive hearings on the bill and has considered it very carefully. It is by no means a rubber stamp of the recommendations of the Executive. There have been important changes in the nature of assistance offered and in the conditions under which it is available. The committee voted 24 to 4 to report this bill. It is my sincere conviction, and I believe it is shared by all of us who voted to report the bill, that the funds authorized are absolutely essential to the security of the United States.

Let me take a minute to remind you what the money in this bill is going to be used for. About 54 percent of the total—\$1,925,000,000—is for military aid. This is used exclusively to supply tanks, airplanes, guns, ammunition, and training to the forces of other nations. The bill limits the amount of this military money that can be used for Europe to \$450 million. All of the rest of it—almost a billion and a half—has to be used in other parts of the world. More of it will go to Korea than any other country.

The Executive does not permit us to make available the amounts of military assistance planned for individual countries. They maintain that it is essential to our security that this information should not be made public. We have to observe their requirements in this matter.

I would like to point out, however, that we have made available this year everything that we could. I was pleased to note that the Washington papers, on April 20 last, published a report entitled "Secret Hearings on Hill Decline," in which the records of the committees of the House and Senate in respect to the holding of public hearings were compared. This compilation showed that the Committee on Foreign Affairs was high on the list of those who held a great proportion of its meetings in open session. I believe that this record indicates clearly our effort to make available all possible information to the House and to the public.

In addition to this direct military assistance in the form of weapons, tanks, and airplanes which I have just mentioned, the next biggest amount in the bill, \$1,147,700,000, is for defense support. Defense support is economic aid, but it goes only to countries which have definitely committed themselves to our side in the struggle against communism. This money goes to poor countries which are maintaining armed forces that are too big for them to support. Only two countries in Europe get any defense-support funds, Spain and Yugoslavia. The committee cut the authorization for Yugoslavia by 50 percent—from \$30 million to \$15 million.

The largest amount of defense support going to any country is \$300 million for Korea. The other big recipients of defense support include Turkey, Greece, Formosa, Pakistan, Thailand, and the Philippines.

This means that over \$3 billion of the funds authorized, including direct military aid and defense support, about 86 percent of the money, goes to support



military programs in countries that have not the resources to keep the men under arms that they now have. The maintenance of these forces is an essential element in the defense strategy of the United States.

Now let me summarize what the remaining 14 percent of the money is for. There is an authorization of \$243 million for development assistance. This is available only to countries in Asia and Africa, either on a loan basis or in the form of United States surplus agricultural commodities. Countries which need outside help to develop their resources can receive help under this authorization regardless of whether they have committed themselves to our side or not. This is about 7 percent of the total funds in the bill.

There is an authorization of \$157,500,000 for technical cooperation. This is the point-4 type of operation and is limited to technical assistance. It does not include financing imports or the building of dams. Less than 4 percent of the funds in the bill go for this purpose.

The remaining authorizations cover administrative expenses, contributions to the care of escapees, the Children's Fund, and so forth. They are continuations of what we have been doing before. A detailed tabulation of all the authorizations appears on pages 5 and 6 of the committee report.

Let me emphasize that the big money authorized by this bill is not going to be spent on international psychological projects. There is so much talk about what Nehru says, and about where Khrushchev and Bulganin are going, and about the French Cabinet, that people think the cold war has become a sort of diplomatic fencing match.

Consider the situation in Korea. Let me remind you that this bill authorizes \$1,925,000,000 for strictly military assistance, and that of this total by far the largest single amount for any country is for Korea.

A state of war still exists in Korea. American boys face Communist soldiers across a neutral zone only 4 kilometers wide. Although shooting stopped on July 27, 1953, when the Armistice was agreed to, no permanent settlement with the Communists has been arrived at and none is in sight. The Communists have flagrantly violated their armistice commitments. They have constructed airfields and based an air force in North Korea after agreeing not to increase their strength there. They have built up their forces in other ways.

All is not quiet along the Armistice line in Korea. Continuous patrolling and probing is going on. There are frequent incidents. The Communist policy is to shoot first and ask questions afterwards.

Our own boys are facing the enemy in Korea, but the largest part of the line is manned by Korean troops. This Korean Army is the largest force in Asia under arms in opposition to communism. General Lemnitzer, our commander in the Far East, says that the Korean forces are excellent. They are experienced in combat, well trained, and well equipped.

His testimony before the committee includes this statement:

I feel very strongly that the continuance of United States military and economic assistance to the Republic of Korea and military assistance to Japan is absolutely vital to the maintenance of our entire military position in the Far East, as well as to the security of Korea and Japan. The Republic of Korea armed forces and the Japanese self-defense forces have already assumed a substantial share of the defense responsibility for their respective countries. As they become stronger, they will be able to assume progressively greater responsibility for their defense. In the absence of these Korean and Japanese forces, we would have no alternative to maintaining sizable additional United States forces in this key area to insure its security in the face of a continuing Communist threat.

It is also important to remember that the cost of maintaining the Republic of Korea armed forces and the Japanese self-defense forces, in their homelands is substantially less than the cost of maintaining comparable United States forces in these areas.

All this leads me to this question: Have we any choice as to what we do about Korea? Does anyone in this House believe that we should abandon Korea to the Communists? Does anyone here want to give up without a struggle the territory which thousands of American boys gave their lives to defend? I believe that Korea has become a symbol to the people of the free world. I believe that 99 percent of the American people are determined that Korea shall be defended until the world struggle against Communist domination has been won.

I repeat that we have no choice but to hold the line in Korea and this means that we have no choice but to give to Korea the very substantial assistance that this bill contains.

In the first place, the United States has to provide the equipment for the Korean Armed Forces. Korea is a poor country with limited resources. It was completely wrecked by the war. In addition, Korea is maintaining a military force much too big for its size. It has too much of its manpower in uniform and the country does not have a big enough tax base to support such a force. The resources just are not there.

In order to keep Korean troops manning most of the defense line the United States has to pay a large part of the bill. We have to supply their military equipment and pay about half of the military budget of the Korean Government.

Second, in addition to our direct support of the Korean military forces, we have to underwrite the Korean economy. We have to contribute substantially to repair the devastation resulting from the war, and we have to provide capital equipment so that the country can make some progress toward maintaining itself. We are paying for factories, including fertilizer plants. We are paying for part of their imports because they produce very little foreign exchange of their own, although I would like to point out that in this instance our dollars have a double value. The counterpart which is derived from the sale of these imported commodities is used to maintain the budget of the Korean Government as well as to pay

part of the cost of internal development projects.

I am fully aware that no one is satisfied with the situation in Korea. Everyone of us wishes that things had worked out differently there than they have. It is easy to indulge in hindsight and to point out how things might have been handled differently. The fact remains, however, that the situation we face today is as I have just outlined it. I believe that there really is no choice as to what we do about Korea during the next fiscal year. The program which this bill provides was worked out very carefully by the United States military commanders in that area and the skilled staff of the United States civilian officers. I think they know what is necessary to keep things going in that poor and devastated country. There is no doubt but what we want to hold what we have, and I think also there is no doubt that we can do so if we contribute our share.

Think for a moment about other countries such as Turkey, Formosa, Thailand, Pakistan, and Iran. Each of these countries is right up against the Communist guns. Each one has chosen sides in the struggle against world communism. Each one of them knows that if it stands alone it cannot hope to survive against a Communist military attack. Each of them is depending on us for help. None of them could have a military establishment such as it now maintains without our equipment and without our support of its economy. We certainly do not want them to quit. It is inconceivable that we abandon them.

Mr. Chairman, I recognize that so far I have been retelling a story that you have heard before. We have all heard it before because the same old reason for the whole thing is still with us. I feel sure that everyone in this House believes that the Communists are still our enemies and that they are determined to subjugate the United States as well as all other nations not yet under their control. Their military strength is greater than ever. As long as the Soviet Union and its satellites maintain their enormous military forces in constant readiness for an attack we have no choice but to continue a worldwide defense effort.

Although much of the program is familiar, I want to make clear that the committee is aware that there have been important developments during the past year. The bill which we have reported has been adjusted in recognition of what has happened.

We are aware, in the first place, of the Russian smile. We have not been so attentive to the smile that we have lost sight of the Russian guns, but we know that the Soviet leaders are smiling and that many nations have responded to the smiles.

In Europe there is less feeling of danger and less enthusiasm for defense than there used to be. I wish this was not so. I wish the United States could in some way change this situation. We have to face reality, however. There is no use going ahead with a program for Europe as though nothing had happened. A large part of the French Army is tied



down in north Africa. Germany has not yet passed the legislation for calling up the forces which we have planned to equip. The British are restricting their use of conscription. Italy cries for more economic aid and less emphasis on defense items.

There is no way we can make up for diminished zeal by increasing the flow of arms. The committee has cut the military authorization requested by \$1 billion and set a ceiling on the amount of this which can be used for Europe. This action was taken because, according to the latest figures we were given, there were still about \$3 billion of planes, tanks, and weapons and equipment already financed from prior appropriations awaiting delivery to Europe.

I believe that the thing to do under the circumstances is to slow down our deliveries to Europe and to divert some of this equipment that is in the pipeline to the countries of Asia and to Turkey. The cut in military funds should give assurance that action along this line will be taken.

I want to make clear that it is not intended to pressure on the nations of Western Europe in any way. Their present attitude is such that they do not place a very high value on military aid. When and if that attitude changes, I think we should respond and help them where needed and where they cannot meet the need themselves. As long as their present attitude persists I do not believe we can properly or prudently ignore it.

In speaking of the adjustments which we have made in the program for Europe in response to recent developments, let me remind you that we have cut the defense support—this is economic aid—to Yugoslavia by 50 percent, from \$30 million to \$15 million. The committee is fully aware that the gyrations of Marshal Tito during the past year do not inspire too much confidence. At the same time, our military strategists insist that it is in the best interests of the United States to continue its program for Yugoslavia. The committee has, therefore, not attempted to cut off the program altogether but has restricted the economic side of it.

Another problem which the committee has carefully considered is the problem of giving aid to neutrals, particularly to nations like India. Many citizens of this country do not like the attitude of the leaders of India in this world struggle against Communist domination.

The fact remains, however, that they have not joined up with the Russians. India is one of the largest nations in the world. It is better for us to have India outside the Soviet orbit. There is no advantage to the United States in taking any action which would force Nehru into the Soviet camp.

At the same time we have to recognize the uncertainties in the Indian situation, and we have to make sure that we do not treat countries better if they push us around than if they cooperate. The bill before you contains provisions to deal with these problems.

In the first place, we say that development assistance to countries to build up

their capital equipment—such as railroads, highways, dams, and factories—has to be either on a loan basis or in the form of surplus agricultural commodities. There will be no more grant aid to such countries which permits them to take our money this year and deny any obligation to us next year. I am not sure that we will get all our money back in the future, but at least the country accepting our help has to sign a solemn agreement to pay us back, which will be called to its attention in the future.

Furthermore, we have put in a requirement that in the future nations getting development assistance will have to sign an agreement providing satisfactory assurances that they will permit the participation of private capital and private enterprise in their development.

Let me say just a further word about the Aswan Dam in this connection. No funds have been requested by the executive for the Aswan Dam for fiscal 1957, and no funds for this purpose are included in this authorization. The President has used his discretionary authority to set aside \$54 million previously authorized and appropriated for other purposes to be used to finance part of the cost of the first phase of the construction of the dam should Egypt decide to go ahead with the project. According to the latest information available to the committee, the United States does not know whether Egypt intends to build the dam or not.

The United States has made an offer to help finance the later phases of the construction of the dam. No funds have been requested by the executive for this purpose. Although the President has great authority to transfer funds under existing law, I do not believe that it will be possible for the United States to finance the construction of the Aswan Dam without giving Congress an opportunity to pass on this matter.

I would like to call your attention to section 7, which appears at the bottom of page 11 of the bill. This section is a statement of policy which is intended to give to the free nations of the world assurance that the United States is ready to back them up in the future in their efforts to resist Communist aggression. At the same time it makes clear that such future assistance will be subject to action by the Congress in light of the situation existing at the time.

The executive requested a more specific authorization to enter into future commitments, which the committee rejected. The language proposed by the executive would have authorized the use of any nonmilitary funds appropriated for the mutual security program in the future to fulfill commitments previously made to foreign governments. This would have meant that in a case such as the Aswan Dam, our officials could enter into a commitment this year with Egypt but ask no money for such purpose. Next year, without asking for any specific authorization for the Aswan Dam, nonmilitary funds authorized for other purposes could be diverted to pay for such construction.

Although I opposed the authority which the executive requested to enter

into long range commitments, I am firmly convinced that it is essential to our own security that we give to other nations assurance that we are ready to back them up in the future. They are all glancing in our direction to see what our reaction to the Russian smiles is going to be. They are reluctant to continue to stand up against Communist pressure if there is any danger that our support will not be available to them in the future.

This statement of policy written into this bill by the Foreign Affairs Committee recognizes the realities of the situation which confronts us. The future of the foreign aid program is determined by the future danger to United States security. We are fooling ourselves and misleading our constituents if we say that this is the last year of foreign aid, or that we should limit ourselves to a 3-year or even a 5-year program. The fact is that we are going to try to counteract the thrusts of the Soviet leaders as the Communists pursue their objective of world domination. Since this in fact, we should go on record as to what our policy is so that other nations need have no doubt as to where we stand.

In urging the passage of this bill I freely admit that there are many uncertainties in the situation which confronts the United States today.

Let me say this in general about the bill which is before us. We are confronted with a choice between doing something to counter the new Communist strategy or doing nothing. We are not yet sure that we know exactly what to do next year or in the next several years. There is no escaping the fact that this is in certain respects an interim bill. As I have already pointed out, most of the money in this bill is going to support military programs of nations in Asia which are right up against the Communist guns. There is nothing new or uncertain or interim about what we are doing or what we should continue to do there.

Nevertheless, this bill does authorize a lot of money for carrying forward an effort that has not been fully mapped out. I have indicated that there are a number of situations in the world which make it clear that we should not continue to spend our money in the same old way or in the same old places as we have in the past. We believe that we have made cuts in this bill which will reduce the programs which should be curtailed. We believe that the materials in the pipeline, plus the new money authorized in this bill, will permit us to meet any new situation which may arise between now and next January.

The Foreign Affairs Committee cannot and, under the Constitution of the United States, should not attempt to invent a strategy for meeting the new Russian threat. That is the responsibility of the executive branch of the Government. It is something that cannot be done by legislation. We have had two basic jobs to do. First, we had to check very carefully what our foreign policymakers were planning to do next year to make sure that we were not voting money to carry on programs that have



become out of date. We all know that there is a tendency for the bureaucratic wheels to continue grinding away in the same old manner as long as the funds are supplied to keep them going.

Second, we had to provide the executive with the authorization necessary to take the measures which are essential to continue our efforts to meet the Communist threat.

The bill before you, in my judgment, does both of these jobs.

It is no less true today, however, than it was when the Marshall plan began in April 1948, and in the year 1951 when the United States made its largest appropriation for foreign aid—over \$7,900,000,000—that the biggest problem confronting the United States is the maintenance of our security in the face of Soviet aggression. This bill should be evaluated strictly in terms of its contribution to United States security. The test of this bill is what it does for the United States and not what it does for foreigners. It is good if it helps solve the problems which confront the United States. Whether or not it solves or fails to solve the problem or problems of any particular nation, or any particular area, is significant only to the extent that the solution of such problems is important to the security of the United States.

Some of our people have a tendency to lose sight of the fact that I have just mentioned. There are some who seem to forget which side is which. They apparently feel that if you do not like Nehru you should vote against this bill; if you disapprove of Nasser, vote against this bill; if you want to show some foreigner what you think of him, vote against this bill.

Let us, in our consideration of this bill, look at the problems with which it deals from the point of view of the security of the United States. I do not say that we will see all of them the same way, but I do say that we are not so likely to be carried away by our prejudices and emotions if all of us are careful to start from the same place.

I am afraid that many of our columnists and commentators fail to distinguish between what is wrong with the world and what is wrong with the mutual-security program. I recognize that there is something wrong in any part of the world that you look at.

That does not mean, though, that if we are dissatisfied with conditions in the world we ought to vote against this bill; that a vote for the bill means that we are voting approval of the situation in the world today. The reason we have a mutual-security program is that there are things wrong in the world.

Some of you probably are saying that I miss the point—that people are not opposed to the foreign-aid program because they are dissatisfied with conditions in the world today; they are opposed because they are dissatisfied with the progress that the United States is making in dealing with these unsatisfactory situations throughout the world.

Let us consider this argument a minute. How many of us are satisfied with the progress that is being made against cancer? I do not suppose any one can say that he is satisfied until a cure has been

found. But I don't suppose that anyone argues that we should stop trying to find a cure just because we are dissatisfied with progress.

That is really the sort of choice that confronts this House today. It is whether we are going to try to oppose the Communists in their efforts to subjugate the world or not. Even if we are dissatisfied with progress, shall we keep a program going and try to make the necessary adjustments to meet the changing situation, or shall we abandon the whole effort?

Let me say just a word about this matter of making progress. Consider the argument that because we find something wrong in almost any part of the world that we look at, the mutual-security program has failed. It seems to me that this is about the same as arguing that after getting rid of the bears and mountain lions, your program against these man-eaters is a failure because you are now having a lot of trouble with skunks.

The big danger that confronted the free nations of the world in the early 1950's was Soviet military attack. Many nations were so weak that all the Soviet forces had to do was march in. I do not believe that the Communist leaders believe that there are any pushovers in the world today. Our foreign aid program is largely responsible for that fact. It may be that the Soviet smile is a greater danger than the threat of armed invasion was. All I say is that our program did effectively meet the military threat to weak countries. It is not a failure just because today we are confronted with a different danger. Our problem is to equip ourselves to meet the new threat.

I am primarily for this bill because I believe it is necessary for the security of the United States. Admiral Radford, chairman of the Joint Chiefs of Staff, made this statement to the committee:

The military assistance program for fiscal year 1957 has been thoroughly coordinated with overall United States military planning and is approved by the Joint Chiefs of Staff.

The program is designed to achieve the same objectives as our own military program and is an essential part of the defense of the United States and of the free world. In planning military programs of the United States, the existence and scope of the military assistance program is fully considered. There is no duplication. They supplement each other.

Both are essential to our own national defense. By the cooperation of our allies, we obtain a far better defense at lower cost to ourselves than if we tried to do the job alone.

Secretary of States Dulles told us:

The President, the Secretary of Defense, the Joint Chiefs of Staff and I, myself, the Secretary of State, are all convinced that this expenditure is necessary for the security of the United States. The Mutual Security part of this program is a contribution to our security just as is our own defense establishment.

In the years since World War II, the period 1946 through fiscal 1956, the Congress has voted \$345 billion for our Defense Establishment. During this same period we have appropriated \$51,336,208,000 to provide assistance to other nations. Let me mention in passing that 82 percent of the foreign aid money last year was spent to purchase items in

the United States so that there has been an important benefit to many of our industries as a result.

The House should not forget that a little over \$11 billion of the products of our farms have been supplied to foreign countries since the war under the Mutual Security program and our earlier aid programs. If we include loan transactions and barter arrangements, the total exceeds \$12 billion.

Let me get back to my point, however. It would have cost us a lot more than \$345 billion for defense, and we would be a lot less secure than we are if we did not have our foreign bases, if we did not have access to the minerals of the Congo and Asia, and if the industrial potential of Western Europe was under Soviet control. It is possible that we could pull back to a defense of the Western Hemisphere, or even of the North American continent. I do not believe any qualified military strategist could advocate such a course. These are the alternatives that we might have to consider as a last resort. Surely we are not ready to quit trying to retain access to the resources of the free world. Surely we want the cooperation of other free nations in a common defense effort as long as we find nations who desire to cooperate with us.

Mr. Chairman, I urge that no one concentrate so hard on the shortcomings of this program or his irritations over instances of lack of appreciation and gratitude abroad, that he will fail to see how vital it is to our own security. Let us remember our strategic bases overseas, and that there are millions of people throughout the world who are on our side and who are dependent on our continued support.

Nothing has happened which could justify abandoning this program when we face the facts.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Iowa.

Mr. GROSS. I wish the gentleman would stop addressing his remarks to that side of the aisle. You have converted over there. Here on this side of the aisle is where the conversion needs to take place and I wish the gentleman would turn this way.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from South Carolina.

Mr. RIVERS. Did I understand the gentleman to say that in his opinion if a nickel were not appropriated, there is enough in the bank now to run this program for 2 years?

Mr. RICHARDS. There is no question about that.

My friend here asked why I did not address my remarks to this side of the aisle. It happens to be that I am on this side. I happen to be a Democrat. I figure our Republican brethren will try to convert people in their own house. Sometimes people on that side do not like Democrats trying to convert them. I figure there will be a little missionary work done on that side. I do not know whether I am going to have trouble with my good friend, JOHN VOYTS, over there



today. He is a great fellow, he is a great friend of mine. I do not know whether he is going to stick by some of the doctrines he has been preaching to me for the last 3 or 4 years or not. I do not know. I do not know whether somebody has been blowing on his neck or not.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I congratulate the gentleman on his statement and say that I thoroughly join with him. I believe the cuts are necessary. When the Comptroller General of the United States says before the Senate Foreign Relations Committee that he feels there are \$400 million held by this agency illegally, and that there should be a resurvey, we in the Congress should listen. I believe the gentleman is right. I would like to point out further that these amendments are bipartisan amendments.

As a matter of fact, my amendment was a \$1 billion cut, so it was a Republican amendment, and under the leadership of our good chairman was joined in on a bipartisan basis. We Members who have been working on this program are for it completely and we want to see it succeed, but we do not want to overspend. So, I believe the cut is necessary, and I want to join with the gentleman.

Mr. RICHARDS. I thank the gentleman. That statement is correct. It was the gentleman's amendment. There were also some other amendments. Some wanted to cut military assistance more than \$1 billion. The amendment to cut more than \$1 billion originated on the Democratic side. The amendment of the gentleman which was finally adopted was an amendment to an amendment. Our acceptance of this amendment proposed by a Republican shows bipartisanship.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Illinois.

Mr. MASON. I think, sir, if some on this side are getting hot breaths on their necks, that you should give a little hot breath on their faces to kind of even up the thing.

Mr. RICHARDS. I hope you will help me out.

Mr. MASON. And I would welcome that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Iowa.

Mr. GROSS. Prior to this time I did not know the prowess of the gentleman as an evangelist. He certainly has converted me, and I am glad to join with him in cutting the spending under this bill.

Mr. RICHARDS. I want to say that anybody who converts the gentleman against his will has great evangelical power.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I want to say to the gentleman that there are a lot of us over here that do not need to be converted. There are a lot of us who voted against these foreign aid things for the last 8 years on this side of the House when perhaps we did not have anybody from your side associate themselves with us. I do not know the reason.

Mr. RICHARDS. Oh, we had plenty of gentlemen on this side just like yourself who are honestly opposed to it. It was not all on one side.

Mr. NICHOLSON. There were only 12 of us the first time. It has gradually gotten better, and I certainly hope we have arrived at the time now when we can spend money for our own defense without taking care of these foreigners.

Mr. RICHARDS. The gentleman says there were only 12. Remember, there were only 12 disciples, but they succeeded in preaching their doctrine all right. Do not forget that.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Texas.

Mr. DIES. I want to congratulate the gentleman and the committee upon this reduction. Last year I was opposed to the committee 100 percent. On the program this year I am only opposed to it three-quarters of 100 percent. I agree on the 25 percent.

Mr. RICHARDS. That is heartening.

Mr. Chairman, I am not going to take up any more of your time. There will be plenty of time to discuss the different aspects of the bill as we go along, and there are other Members who want to speak. But, in closing I want to say I would not have anyone misinterpret what I have said, particularly my good friend from Massachusetts. I have not weakened in any way my original opinion that this program is part of the security program of the United States. Each of us has an obligation to his people and the committees of this House have an obligation to this House. The Committee on Foreign Affairs held long hearings on this bill. We held session on 31 days and heard 74 witnesses.

The various amounts involved were carefully considered and thoroughly debated. The figure for military aid was reached after voting on several amendments which proposed different amounts.

I do not see how the Committee could fulfill its obligation to the House if it did not support the authorizations which are contained in the bill as reported.

I have great respect for the President of the United States and for the objectives of his foreign policy. He has too many duties and responsibilities, however, to know all about the bookkeeping which the Pentagon does.

The program which was submitted to the committee was the result of work begun by the executive departments more than a year ago, before many of the developments which disturb us today occurred. I do not believe the program was adjusted by the Executive to reflect the new situation, and I do not believe

the President is familiar enough with the details of the program to be aware of its shortcomings. He has to rely on the recommendations of his subordinates.

The committee discovered some of the weaknesses in the program, and we have made adjustments to correct them.

I believe that it is absolutely essential that we go ahead with this program and we will need the money which the bill authorizes if we are to do so.

Mr. Chairman, this is not the last year of the mutual security program. This bill contains a provision which gives formal recognition to the realities of the situation. Section 7, beginning on page 11, contains a statement of purpose which makes clear to other nations which today are wondering whether we may be relaxing a little as a result of the Russian smiles that it is the intention of the United States to continue this program as long as international communism is a menace to free government and free people. It states that it will continue to be our policy to help those nations abroad that need help, that request it and can effectively use it, as long as it does not endanger the financial integrity of the United States. It makes no specific commitment to anyone. It would be unwise to promise any other nation anywhere, any amount, for any specific project for the years ahead. The Congress has an obligation to review the situation each year and to make the necessary adjustments. As soon as it is safe for us to do so, we should stop the whole thing.

Let me repeat, however, that I believe, from the bottom of my heart, that a reasonable program, including this cut of \$1,109,000,000 is as essential as any part of our defense program. It will do more than an equal amount of dollars added to our own defense program to combat the wave of international communism that is sweeping some areas of the world with such force that people fear that they will be unable to stand up against it.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from New Jersey.

Mr. CANFIELD. May I say to my friend from South Carolina that in 1950, when we had before this House a bill to provide Mr. Tito's government in Yugoslavia with some \$38 million, it was argued by those in charge of the bill that Mr. Tito's break with the Kremlin was incurable. I argued otherwise. We know now that that break was not incurable.

I rise to ask the gentleman how much money there is in this bill now before us for Mr. Tito's government in Yugoslavia.

Mr. RICHARDS. There was a certain amount of military money proposed for Yugoslavia in the bill, but the figure is classified. The economic aid to Europe goes to only two countries, as I have said; a small amount to Spain and some to Yugoslavia. There was \$30 million of economic aid requested for Yugoslavia. The committee cut out half of that—\$15 million. \$15 million remains in the bill for Yugoslavia.

Mr. CANFIELD. Would the gentleman be good enough to tell us how much money the American Congress has ap-



propriated for economic and military aid to the government of Yugoslavia?

Mr. RICHARDS. I have not those exact figures at hand. I could get those figures but the figures for military aid is classified.

Mr. SMITH of Wisconsin. Mr. Chairman, would the gentleman yield to me?

Mr. RICHARDS. Perhaps the gentleman from Wisconsin has those figures. The gentleman from New Jersey is talking about aid going all the way back to the beginning of the program?

Mr. CANFIELD. Yes.

Mr. RICHARDS. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I might say to the gentleman from New Jersey [Mr. CANFIELD] that in the appendix of the minority views the gentleman will find a tabulation showing the money that we have spent on the program since its beginning.

Mr. CANFIELD. I am told that the figure runs close to \$1 billion.

Mr. RICHARDS. I have not the figure here going all the way back to the beginning, but I remember that it is a large amount. Mr. Chairman, I do not think that it has been a mistake to give assistance to Yugoslavia, even if Yugoslavia is a neutral and remains a neutral. The money was well spent, if in case of war Yugoslavia merely tells the Russians it insists on maintaining its neutrality.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Iowa.

Mr. GROSS. I should like to refer for just a minute to page 17 of the bill. Is it proposed to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program? Is that something new?

Mr. RICHARDS. This is new. It applies only to the few foreign students and leaders who come to this country at our expense. These people do not have money to finance a trip to this country and when they get sick or have an accident here it creates a very serious problem.

Mr. GROSS. This reads as follows:

United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants.

Does that mean individuals?

Mr. RICHARDS. That means individuals who participate in this program.

Mr. GROSS. Then that does mean foreign nationals who participate in this program?

Mr. RICHARDS. Foreign nationals who are engaged in this program, if you pay them out of American funds.

Mr. GROSS. So that we are going to pick up the bill for health and accident insurance costs for foreigners?

Mr. RICHARDS. Only those who come here at our expense, because we believe that the reports they will give to the folks back home justify the cost to us.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mrs. KELLY of New York. I do not want to leave the opinion with the Members of this House that there is only \$15

million in this bill for Yugoslavia. Will the gentleman agree that there is an undistributed amount?

Mr. RICHARDS. Yes.

Mrs. KELLY of New York. Will the gentleman also agree that there is another secret amount?

Mr. RICHARDS. Yes; this military fund I just mentioned is classified.

Mrs. KELLY of New York. It is classified?

Mr. RICHARDS. The committee did not want to classify any of these figures, but the Defense Department classified them, just as the executive department classifies the Defense bill figures. I do say there is only \$15 million economic aid for Yugoslavia. The gentleman is right; there is military aid in addition.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Illinois.

Mr. SPRINGER. Is this report antedated then? On page 3 of the committee report it is noted that there is \$30 million in the bill for Yugoslavia. Is that correct?

Mr. RICHARDS. The table on page 3 shows the amount requested by the Executive, which was \$30 million. The committee cut this to \$15 million.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. SMITH of Wisconsin. Going back to the Yugoslav question, the question the gentleman from New Jersey raised about the amount in this bill, \$15 million, is it not a fact there is likewise in the pipelines considerable for Mr. Tito?

Mr. RICHARDS. Yes. I believe that there is a lot in the pipeline. There is \$3 billion-plus in the military pipeline for Europe and Mr. Tito is included in that.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mrs. ROGERS of Massachusetts. I should like to express my very deep regret that the gentleman is leaving the Congress of the United States. He has been an extremely able and extremely courageous Member. I am very sorry that being in the minority I could not serve on the Foreign Affairs Committee under the leadership of the able chairman. I worked with the gentleman for years. I greatly admire his integrity, his fairness, his kindness, and his great love of America. He will be terribly missed.

Mr. RICHARDS. I deeply appreciate the gentlewoman's kind remarks.

Mr. TUMULTY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from New Jersey.

Mr. TUMULTY. Do I correctly understand the gentleman to say that it is the opinion of the administration that Yugoslavia is still neutral? How close to communism do you get and still retain neutrality?

Mr. RICHARDS. I do not think it is a partisan matter for one of the leaders of the world today to visit Russia. The Soviet leaders came to Tito and apolo-

gized and begged his pardon. He did not go to them.

Mr. TUMULTY. Does that make any difference to us if he goes against us?

Mr. RICHARDS. I believe in a conflict with Russia Yugoslavia would be neutral. That is my personal opinion for what it is worth.

Mr. TUMULTY. If you are going to buy somebody, does not the gentleman think they ought to stay bought?

Mr. RICHARDS. I do not think you can buy anybody's neutrality.

Mr. TUMULTY. Then it is foolish to try. Yet, that's what we have been doing.

Mr. RICHARDS. The question is whether or not it is good for the United States. The military people think it is.

Mr. TUMULTY. Do you think, under the circumstances, when Tito visited Moscow and where he said that the Kremlin and Tito will never be divided again, that we should continue to supply money to a Communist who has said that he will never be divided from our enemy?

Mr. RICHARDS. Well, if Mr. Tito were over here—and he may come—I would expect that he would say that the United States and Yugoslavia would not be divided again for that matter. It is not a question of what Mr. Tito wants. It is a question of what the military people say it would be worth to us for him and his divisions to stay neutral.

Mr. TUMULTY. I am not concerned now with what the military people said. I want to know what you believe and not what the military believe. I want to know what you think—whether you think that money should be expended to a Communist who has gone to our enemy and said that he will not be divided from them again. Should any money go to Yugoslavia under those circumstances, sir?

Mr. RICHARDS. There is \$15 million of economic aid in this bill for Tito's Government. I would not have voted for it if I had not thought it is wise. I may be wrong. I have no affection for Mr. Tito. I think it is a good investment and that we are justified in taking the chance.

Mr. TUMULTY. That is the same thing we have been doing for the past 10 years. Tito declared war on us the day he became a Communist.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. RICHARDS asked and was given permission to revise and extend his remarks.)

Mr. VORYS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I join in the applause that took place just now on the termination of the speech of our beloved chairman, Mr. RICHARDS. I call him Chief. I want to say to the Chief, "You have made a great speech. I disagree with parts of it, but I agree with roughly 85 percent of it." He said something about somebody breathing down my neck to change my views on what the military amount in this bill ought to be. I would like to remind my beloved chairman that I tried to breathe down the necks of the committee to make a cut of a half billion



dollars in this program, and while I am willing to be convinced, to date I have not changed my mind on the amount this bill can stand.

This is a \$3½ billion bill. Our chairman wanted a \$1 billion cut. I wanted a half billion dollars cut. That is \$500 million between us, about 15 percent of the bill. I figure he is 85 percent right on this bill—and he has to concede, I think, before I am through, that I am at least 85 percent right.

He quoted the criticism made by the Comptroller General of the administration and accounting of the military funds in this bill. It is certainly true that we ran into a hassle last year when the Committee on Appropriations cut out nearly \$600 million from this bill, not because the program was unjustified but because of the method of accounting in the Department of Defense. Since the program was not criticized, that put a \$600 million dent in the pipeline supplies that must go forward on long lead-time in order to keep this mutual-security program current. The Comptroller General referred to \$400 million that had been retained in violation of law prior to June 30, 1954. Administrative actions in the Bureau of the Budget and the Department of Defense have more than offset any such amounts erroneously certified prior to June 30, 1954. Defense has corrected criticisms which he made. I understand the allegations as to the \$400 million are not yet supported by documentary evidence furnished the Department of Defense.

After the speech that has been made, and in view of those that will be made, I simply want to make a few general observations about this legislation, then run over parts of it, and then answer questions if I have time.

I want to remind the committee that this is a package bill. It is not just one proposition. It is 19 different programs involving 54 countries, 36 of them with military programs. It includes in the 19 programs 4 connected with the United Nations Organization nations, which may affect 78 nations.

It has to do with the military support in other allied countries of 200 divisions; The United States has 20.

Two thousand Naval craft: That is more vessels than are in the United States Navy.

Three hundred air squadrons: That is about the same number of squadrons that we have in the United States Air Force.

As to the economics of this bill on the military side; which is part and parcel, says Admiral Radford, of our own defense; it costs the United States \$6,600 a year to maintain an American soldier abroad without a gun in his hands, that is, his maintenance without any arms. This bill will cost us 789 dollars to maintain one of our allied soldiers for a year with a weapon in his hands, at the place where our Joint Chiefs say it is vital to our own security as well as the security of the country he serves. So that when you figure the cost of an American soldier abroad and of helping to support a foreign soldier allied with our own mutual defense, you can see that there is

economy in this plan, as was pointed out by Admiral Radford.

I want to point out also that this is a policy bill. It does not appropriate a dime. All we do in this bill, as far as amounts are concerned, is to place limits on the amounts we are later going to let ourselves appropriate. When it comes to appropriations, we can second guess. We do it all the time with our deficiency bills and supplemental bills, but we do not do that ordinarily on legislation. So that it is important at the policy level, which is involved in this bill, that we do not tie our hands too tightly, that we give the Committee on Appropriations a chance to review this program.

This bill deals with foreign aid in terms of American security. I received a letter about this bill, which referred to this year's "donations abroad." The Governor of Utah is conducting a revolt against paying taxes for what he calls these give-away programs.

I want to say, on the constitutional question involved, that in my opinion the Congress has no constitutional right to give away the taxpayers' money to foreigners. Every dime of this program is to promote our own security, our own welfare, or it is not justified at all. I think that since that is the situation, we make a mistake to make anyone, in this country or abroad, think it is mere generosity, bighearted charity. It makes the foreigners suspicious and it makes our own people mad. Both of them say "What right has Congress to be charitable with other people's money," when we are not being charitable. We are promoting our security and our own welfare. It is all for our own selfish interest. Generous, enlightened, farsighted self interest, sometimes failing of its objective, but the purpose is the security and welfare of the United States of America.

Since it is not charity, we cannot expect much gratitude. We cannot buy friends and we cannot buy subservience, but we can arrange things so that other nations find it worth their while to stay in the free world and defend themselves and develop themselves, not because they love us, but because our mutual security is good for them, as well as for us. We help countries in war, hot or cold, because they can resist more effectively. We help them in peace, because developed countries make better customers.

Now, how are we doing? I have heard some woeful wails, and we will hear some more about how everything we are doing is such a failure.

We are told that the Communists are outsmarting us everywhere. If they are so smart what do they think of what we are doing on the military front? They think we are doing so well with mutual security that they have not started a war for 6 years. They think that NATO is so good that their whole European policy is aimed at breaking up NATO. If NATO were the feeble instrument that has been suggested by some Americans, we would not find the Kremlin aiming its diplomacy at breaking up NATO.

On the nonmilitary front the Communists think we are doing so well that they have started to imitate our programs of

economic aid and technical assistance. As Secretary Dulles says, if imitation is the sincerest flattery we should be flattered with what they are doing.

Their new look creates new problems for us, but it creates a lot of new ones for them, too.

Now a few moments of time to review the program. First I want to pay my tribute to John B. Hollister, the Director of the ICA, a former Member of this House, former law partner of Bob Taft, longtime friend and associate of Herbert Hoover, Executive Director of the Hoover Commission, level-headed, fearless, with vision and commonsense. I saw him in action in five countries in the past year, observing the programs and the reaction of the people in the countries involved in our programs, hearing the problems of his field force, and hearing him explain the policies to them that are developed in Washington.

On the military side of this program I want to pay my tribute to one who is the head of it, who has been in the business of mutual security for some time and had considerable experience. He has had the experience of waiting abroad for promised supplies from the United States to come to NATO. He is a man named Eisenhower, former General Eisenhower, now President Eisenhower. He was the head of SHAPE. He was, as we call it, in MAAG, himself, part of a military-assistance advisory group. He understands this program and its worldwide significance in extraordinary detail and is deeply interested.

I have seen the work of these people, the MAAG's, and the ICA people, in 25 countries in the last few years. Of course, there are misfits, but for the most part they are devoted Americans, trying their best, working hard.

As for the program, let us look at the bottom of it first. Let us look at page 22 of the bill and page 52 of the report, and talk about the last item "Foreign research reactor projects," \$5,950,000. This is a dramatic, imaginative atoms-for-peace program which challenges the interests of the whole world. The only nation in the world that has dropped an atom bomb in wartime leads the world in establishing a program of atoms for peace. We are going to contribute up to \$350,000 each for these reactors, and they are to be labeled as coming from the United States. Each one is to have a 9-pound core of uranium that costs \$60,000. This is leased, not given, to other countries. The uranium core is of nonweapon character. The power generated will equal that required to run 2 electric ironers or 1 electric stove. The core can be reprocessed every 2 or 3 years. Therefore, this hunk of uranium will last somewhere between 200 and 300 years. That is one of the important imaginative items in the bill that may not have attracted your attention in this bill.

In the latter part of the bill you will find an item for ocean freight for voluntary relief. There is \$1,400,000 to ship voluntary relief packages abroad that last year totaled \$28 million. There is \$14 million for shipping abroad agricul-



tural surpluses. There is \$10 million for the children's fund. Then there is economic aid.

Of the \$3,563,475,000 total, \$1,550,700,000 is for furnishing military weapons, equipment, and training; \$2,012,775,000 is for other purposes. This year, economic aid for direct forces support in the amount of \$374,300,000 was carried in the general military assistance request of \$2,925,000,000. Even though this request has been cut to \$1,925,000,000 in section 2 of the bill, I understand that the executive is not planning to cut the spending for direct forces support, which is economic aid—food, clothing, gasoline, and so forth, for the support of troops.

Thus the authorizations for economic aid in the bill are as follows:

[In millions]

Direct forces support-----	\$374.3
Defense support-----	1,147.7
Development assistance-----	243.0
Technical cooperation-----	157.5
Other programs-----	90.3
Total (rounded)-----	2,012.8

The first two items are for support of military effort. Every item is designed to promote our own security. Most of the money authorized, however, is for economic aid, not weapons and training. The amount for guaranties is increased \$400 million in the bill, but is a contingent item and therefore is not shown as an increased authorization in the totals. If we add this amount to the authorizations available for economic aid under this bill, the total would be \$2,412.8 million for economic aid compared to \$1,550.7 million for strictly military aid.

This bill involves a considerable reappraisal of the executive requests for economic aid, especially as to long-term aid to underdeveloped countries.

There is no termination date in the mutual-security law and therefore, any amendment expressed in terms of years would be shorter in duration, technically speaking, than the law it amended. We also realize that no Congress can pass a law its successor cannot amend or repeal.

Therefore the committee adopted a carefully worded statement of policy—see section 7 of the bill—of continuing aid to free nations as long as the danger to the peace of the world and our own security persists, and then rearranged and combined the various programs of development assistance.

Assistance for economic development of their resources has been furnished to many countries in the past, including countries carrying on military programs as part of their defense support—see title I. This can be done under the present bill. In recent years, however, the words "development assistance" have come to have a special meaning: substantial economic aid in addition to technical assistance in countries which do not have military programs in the common defense. This applies especially to underdeveloped countries.

This year a number of separate programs of this character were requested.

The requests were for \$370 million, as follows:

President's Asian fund-----	\$100,000,000
Title II—Development assistance:	
Near East and Africa-----	63,000,000
Asia-----	80,000,000
Latin America-----	27,000,000

Total, title II-----	170,000,000
Middle East-----	100,000,000

Development assistance request-----	370,000,000
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We put the request for Latin America in title I—Defense support, as being more appropriate for neighbors who are joined together in treaties for defense against communism, even though they may not be carrying on joint military programs. We increased this amount by \$5 million. This left \$370 million in the development assistance category, as follows:

Development assistance request-----	\$370,000,000
Deduct Latin America (transferred)-----	27,000,000

Development assistance request-----	343,000,000
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We reduced this total request by \$100 million and, in section 4 of the bill, authorized \$243 million to remain available until June 30, 1960, for economic development in free Asia, the Middle East, and Africa. We did not divide the amount among these regions, but not more than 25 percent is to go to any one nation. All of it is to be in loans or surplus agricultural commodities, except for regional projects involving two or more nations. We wish to encourage regional projects, but, although the present law requires preference for such programs in the Asian fund, we learned—hearings, page 453—that only one-third of the \$66.6 million programed is for regional projects.

The present law provides in three places that the program shall emphasize loans rather than grants, wherever possible. The efforts this year have been disappointing, to quote Mr. Hollister, Director of ICA—hearings, page 49—probably about the same as last year's \$209 million.

The requirements of the development-assistance section should improve this record.

The Soviets furnish all of their economic aid, except for technical assistance, in the form of loans or barter deals. There is little or nothing in the record to show that we need to make outright grants to compete with them in neutral underdeveloped countries.

There is a popular misconception, stimulated by banking minds and by giveaway enthusiasts, that aid loans amount to grants, are never paid, and create hard feelings.

The record is otherwise. For instance, we received last year \$502 million in principal and \$273 million in interest on foreign-aid loans made since World War II, according to the Department of Commerce. About one-fifth of our post-war aid of \$53 billion has been in cred-

its. Under the mutual-security program and its predecessors 50 loans to 23 countries, totaling about \$1,868,000,000, have been made. This year \$15,126,672 is being paid on principal and \$37,651,945 in interest on these loans.

We are becoming a have-not country in essential raw materials. Any long-term development plans for other countries should include long-term repayments which can be made in raw materials we will need increasingly. This bill stresses this policy.

This bill—section 6 (k)—provides authority to guarantee \$400 million in private investments by an amendment I offered, in addition to the estimated \$100 million which will be issued by June 30. A fractional reserve is set up, in line with insurance practice instead of a 100-percent reserve. In addition to insuring convertibility of currencies, and against expropriation or confiscation, coverage may include losses caused by war, revolution, and insurrection.

Up to date we have had no losses on investment guaranties, and the reserve is maintained by issuance of notes which do not require appropriations. Over \$293 million in applications are now pending. We charge a fee for guaranties. Our whole foreign-aid program is to assure that we will not have a war, and that we will end up with a peaceful free world where people respect private property and pay their debts. If we can secure private investment in underdeveloped countries by charging a fee to protect the investor against the risks we have spent billions to prevent, we can cut the amount of Government-aid programs.

Up to date Government officials and bureaucrats here and abroad, and also businessmen here and abroad, when given the choice of grants, loans, or guaranties in foreign-aid programs, have usually chosen grants. In this case, flexibility has been expensive. When the choice has been loans or nothing, they choose loans. As grant money has been reduced, interest in guaranties has increased. By tightening up on grants, but opening up on loans and guaranties, for economic development, we hope to encourage a long-term policy that will involve private investment costing our Government nothing, or loans, where we are repaid. That is the capitalistic system that developed our country and most of the free world. We believe it is better than the Communist system, and will prove itself in competition.

Last, a few words as to the military program. Strictly speaking, \$1,550,000,000 of the present bill is for military purposes. There are fixed charges of \$378 million to come out of that amount. That leaves only about \$1,182,000,000 to spread around.

The European military program is \$760 million. Even if this were reduced, look at the other areas.

The Asian program alone, where we have Korea, Formosa, Vietnam, Pakistan and other countries, amounts to \$1,168,000,000. Can we cut those countries? The Middle East—Greece, Turkey and



the northern tier of nations—calls for \$471 million. Can we cut these countries? Then there is \$530 million requested for advanced weapons? This is vitally important. Do we cut this out?

When you try to cut all this a billion dollars, I think you are cutting too much.

As has been said, we recently passed a defense appropriation bill providing \$36 billion by a vote of 377 to nothing. We passed a military construction bill for over \$2 billion, including \$780 million for overseas bases, by a vote of 377 to 3. Many people do not think we have enough money in our own military program. We recently passed the defense production bill, continuing priorities, by a voice vote. No one wanted even to challenge the vote. But, when we come to this, which Admiral Radford says is "an essential part of our own defense," being "part and parcel of our own defense," we cut off 33½ percent, or if you want to include only military weapons and training, we cut it 40 percent. I say that is too big a cut, and those that are interested in the defense of their country, who voted unanimously or nearly so, for these other items for our own defense, should not cut so deeply this item which is for our own defense.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Louisiana.

Mr. BOGGS. I listened very carefully to the gentleman's statement, and I think the gentleman has made a very fine statement. But certain questions were directed at the chairman of the committee, the gentleman from South Carolina [Mr. RICHARDS], in respect to this Yugoslav question. I notice the gentleman passed that over. I wonder if the gentleman is in a position, after his White House briefing, to state the administration's position on this aid to Communist Tito.

Mr. VORYS. I understand that the administration's view is that it would not be wise to eliminate all aid to Yugoslavia.

Mr. BOGGS. Is that the administration view, after the meeting of Tito and Bulganin and Khrushchev on this weekend?

Mr. VORYS. I am just going to give you my own theory about Yugoslavia. Here is the point. When Tito is recognized as an independent Communist, that sets a pattern that must soon be followed in Poland, Czechoslovakia, Hungary, Rumania, and Bulgaria, because you cannot continue to have satellite Communist states and independent Communist states very long. So, the problem is, should Tito become the head of a satellite state or should he remain, as he claims he is going to be, even while he is being wine and dined in Moscow, head of an independent state? If we have independent Communist states among the satellites we start to break down the monolithic Soviet system. That is worth thinking about before we determine to eliminate aid to Yugoslavia.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. RICHARDS. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. FEIGHAN].

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Louisiana.

Mr. BOGGS. I asked the gentleman to yield in order that I may pursue my questioning of the gentleman from Ohio [Mr. VORYS]. Did I understand the gentleman from Ohio to say that it is the administration's position that the administration approves of continued aid to Communist Tito?

Mr. VORYS. I said that I understood the administration's view to be that they would not favor a further cut in the amount for Yugoslavia.

Mr. BOGGS. Then, one other question and I shall not bother the gentleman any further. It was my understanding that the gentleman contends, even after the recent meeting, that Tito is independent of Moscow. Is that correct?

Mr. VORYS. I cannot tell what the gentleman's understanding of what I said is, but I stated my own views a minute ago just as well as I could.

Mr. BOGGS. May I ask the gentleman one further question? Was this matter specifically discussed at the briefing this morning?

Mr. VORYS. Mr. Chairman, I am attempting to be courteous to the gentleman—

Mr. BOGGS. The gentleman can be whichever way he wants although he is always courteous—

Mr. VORYS. I am attempting to be courteous to the gentleman but also to refrain from discussing what was said at the White House. I did not intend and do not intend to discuss what the President said or anybody else said at that meeting.

Mr. BOGGS. Mr. Chairman, I think it is perfectly in order at this point that the American people know the position of the administration on this issue which is now before the House. That is why I asked the questions. For my own part I am opposed to aid to communism of any brand. I will support the amendment to be offered to strike aid to Tito.

Mr. TUMULTY. Mr. Chairman, will the gentleman yield for a question?

Mr. FEIGHAN. I yield to the gentleman from New Jersey.

Mr. TUMULTY. I was wondering if the gentleman from Ohio [Mr. VORYS] who has just been addressing himself to the queries of the gentleman from Louisiana [Mr. Boggs] would not answer this question. How does he explain the administration's position in continuing aid to Yugoslavia, a potential enemy, a probable enemy and refusing military aid, as the report says on page 9 thereof, to a friend—Israel?

Mr. HAYS of Ohio. Mr. Chairman, would the gentleman yield to me?

Mr. FEIGHAN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I should like to point out to my colleague the gentleman from Ohio [Mr. VORYS] that I do not know what was said at the White House this morning, but there is considerable on the ticker about what the President said at his press conference, and if the gentleman is too busy to go out and read

it, I think he might have it brought in to him. It is about Yugoslavia and I think it might be very enlightening.

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Chairman, legislation we have before us has a long history. It began as the Marshall plan in 1948, when the Russian Communists threatened to take over all of Europe after we had withdrawn all but a handful of our Armed Forces from the European theater. At that time President Truman warned Congress of the grave danger of another world war unless the Communist aggressors were stopped. Consequently the Marshall plan began as a program to stop Communist aggression and to preserve democracy, free institutions, and civilization as we know it.

Each year since 1948 Congress has had before it a major piece of legislation authorizing foreign aid assistance and foreign military assistance. During that time the management of the program has changed names several times and today it is administered by the International Cooperation Administration. Members of the House are quick to recognize that the authorizing legislation before us is among the most complex ever to confront the Congress.

During these years I have strongly supported foreign aid programs and foreign military assistance programs because I felt they were necessary to the security of the American people. I have on several occasions in past years directed attention to what I considered to be phases of this law completely inconsistent with the original purposes of the original plan, to wit: The strengthening of the security of the United States and other free people. I refer specifically to the tragic misuse of American public funds to support the Communist dictator Tito, and to strengthen his hold over the good people of Yugoslavia.

I believe it is timely that we ask ourselves how far away from its original purposes has the foreign aid program slipped since 1948. I think it is imperative that we know whether the United States public funds put in to our foreign aid and foreign military assistance programs are intended to defeat communism or whether there is some new objective which has crept into the program of which the American people have not yet been informed. I raise these questions because of the following reasons:

First, the legislation now before us contains several authorizing provisions for continuing assistance to Communist dictator Tito of Yugoslavia. According to unofficial information which I have received, there is \$50 million plus buried in this bill for the tyrant Tito. While the information made available to Congress only lists \$15 million as going to Tito, I am reliably informed that another \$35 million for Tito is hidden in this legislation and kept from Members of Congress and the American public by virtue of a completely unjustified claim that it is necessary to keep such information classified.



Second. One of our sister republics right here in the Western Hemisphere, Guatemala, occupied for almost 10 years by the conspiracy of communism, less than 2 short years ago tore loose the tentacles of communism through a genuine revolution led by a group of national patriots. When the revolutionary leaders marched on the capital city of Guatemala, the Communist occupiers fled, but before they did they looted the national treasury and left this little country very deeply in debt. The victory of individual liberty and human decency over the conspiracy of communism in that Central American republic gave great hope to the friends of freedom everywhere in the world. At the time of the revolution many authorities stated that the defeat of communism in Guatemala was a major stroke in turning back the tidal wave of Russian communism. Yet this sister republic has had a tremendous struggle on its hands during these past 2 years to build a solid, stable, and free economy and to make possible a fuller life for the people of Guatemala than they have had under Communist tyranny. It is strange to me that the technicians in the Department of State regard the cause of Guatemala as relatively unimportant to the ultimate defeat of communism because they recommended to Congress that United States assistance to this country be limited to \$5 million. The House Foreign Affairs Committee increased that sum by another \$5 million, but it is apparent to me that we are being penny-wise and pound-foolish in our efforts to help the democratic leaders of Guatemala build a solid and free economy for their people. The funds now contained in this bill fall short, in my judgment, of what is needed to help Guatemala speed up its recovery from the occupation, exploitation, and looting by the Communists who are now thrown out of this country.

Third. This legislation also contains authority for the United States escapee program to continue the misuse of United States public funds in the Far East. I refer to the use of the American taxpayers money to pay the ocean transportation through Hong Kong of so-called White Russians now living in Red China to various countries of the free world. I appeared before the House Foreign Affairs Committee and there presented to it irrefutable evidence to the fact that contrary to the requirements of the law, there is no security investigation whatever made on these White Russians before they leave Red China because no security investigation is possible on the mainland of China. Even the International Cooperation Administration admitted this to be the fact in a written report to the House Committee on the Judiciary.

Moreover, the vast majority of these so-called White Russians are traveling on valid passports issued by the Kremlin—a fact which is indeed startling because only the trusted friends and agents of the Kremlin are ever given such passports. In addition, these so-called White Russians have no difficulty whatever securing an exit permit from the Chinese Communists in order to

leave the Chinese mainland, but it is amazing that our own American civilian and military personnel imprisoned and detained there find it impossible to leave because they cannot obtain an exit permit and most of those Americans who have received such permits have paid exorbitant ransom fees for them. These incredible circumstances are climaxed by the hard, cold facts that at least one top espionage agent of the Kremlin who posed as one of the so-called White Russians in order to get into a Latin American republic has been uncovered, apprehended, and deported from that country. This so-called White Russian was, in fact, the Russian security agent in the Polish Communist Embassy in Peking.

I find myself at a distinct disadvantage in discussing the bill before us and I am sure my feeling is shared by many of my colleagues. This results from the fact that the veil of secrecy has been placed over so much of the information as to how the funds we are asked to authorize will be used, the amounts that are to be received by each country, and the specific purposes and uses each country shall make of these funds. As Members of Congress, all of us are faced with the necessity of going before our constituents this fall to give an accounting of the manner in which we have discharged our responsibilities. One of the greatest responsibilities shared by every Member of Congress is the study of, the debate, and action on the foreign aid legislation.

Mr. Chairman, I submit that so much vital information in regard to this bill is being withheld from Congress by the Departments of State and Defense under the pretext of security, that it is virtually impossible for all individual Members to properly discharge the high responsibility with which our constituents have entrusted us.

It is apparent that certain reasonable restrictions must be placed on information to be given out publicly on vital military matters, but I fail to see why, Mr. Chairman, the shield of secrecy should now be employed to cover not only the so-called defense support program, but even the development assistance program as well. I would like to know why the Congress of the United States is not entitled to know how much each of the various countries is to receive in defense support and the purposes for which the money is to be spent. I should also like to know why Congress should not be informed as to how much economic aid is proposed for Guatemala or Israel and the Arab countries of the Middle East. Finally I see a grave danger in using the cloak of secrecy to withhold from the American people knowledge of the amount of their money that is proposed for Yugoslavia for military assistance or any other purpose. Surely there is no Member of this House who doubts for a single moment that the Russians will be informed down to the last plane, tank, rifle, or pencil as to every dollar Communist dictator Tito receives from the United States and for what it will be spent. Moreover, I believe it is childish for us to assume that the recipient countries under this proposed legislation do not already know the ex-

act amount of money for whatever purpose which is included for every other one of the recipient countries.

There can be no question of the need for exacting security measures to be applied to projects carried out here in the United States such as the former Manhattan project and the need for keeping secret the development of certain programs in foreign countries which have a bearing upon the security of the free world. However, the maintenance of secrecy on such matters has nothing whatever to do with keeping from the American people knowledge of how much of their money is to be spent in each foreign country. Khrushchev and Bulganin know how much Tito will try to milk the American taxpayers for this year, but the poor American taxpayer is not permitted to know how big a bite Tito is going to be permitted to take out of our public funds this year.

I am sure that every Member of this House is aware of the love feast now taking place in Moscow between the Communist dictator Tito and the Kremlin leaders. Only last Monday dictator Tito, according to the daily press, stated in Moscow that never again would there be any separation of Yugoslavia from the Communist camp of nations. Yesterday Tito said that Moscow was the city of his first love and that he was most enthused to be back again in the center of world conspiracy where he had spent so many years in the past preparing for his role as Russian proconsul over the good people of Yugoslavia.

This is an appropriate time to recall that just a year ago Khrushchev and Bulganin visited Tito in Belgrade following which there is reason to believe that several secret understandings were entered into between Tito and the crowd in the Kremlin. One of those evil understandings has been made current by a United Nations report made public yesterday which points up the likelihood that all Titoists who sought refuge in Yugoslavia shortly after the Cominform stated that Yugoslavia had been expelled from its ranks, would be forcibly repatriated. Last year I had the privilege of appearing before the distinguished members of the House Foreign Affairs Committee, at which time I drew attention to this secret agreement between Tito and the Kremlin crowd as an indication of the unreliability and treacherous character of the dictator Tito. It is important that we Members of Congress keep in mind that Tito, who some people claim to be a friend of the United States and an enemy of Communist aggression, is about to hand over to the crushing caress of the Russian bear all those who took asylum in Yugoslavia and who opposed the Russian autocrats.

It is also important to recall that during the time of the Khrushchev-Bulganin visit to Belgrade last spring, the joint communique, joined in by Tito and the Russians, contained, among other statements, these two anti-American proposals:

First. That Red China be admitted to the United Nations;



Second. That the use of nuclear weapons be outlawed and permanently barred—under the infamous Russian formula.

The Russian formula, of course, authorized the Russians to go ahead full speed with their program of creating an atomic stockpile and a huge airport to deliver the A- and H-bombs on the people of the United States and all other free people, while the United States is required to destroy its stockpile of defensive power. It will be interesting to see what Tito and the crowd in the Kremlin call for in their communique that will conclude the renewed oath of allegiance that Tito has taken to the banner of the international Communist conspiracy. Of one thing we can be certain, that communique will call for action calculated to weaken the cause of human freedom and individual liberty while advancing the Russian dream of world empire.

But some good is bound to come out of Tito's oath of renewed allegiance to world communism. I am hopeful, now that the true character and intentions of the dictator Tito are clear to the world, that all the talk and nonsense about Titoism as a third force has been laid to rest. It now should be clear beyond any reasonable doubt that it is impossible to be a Communist and at the same time a national patriot and that all Communists owe their final allegiance to a small band of tyrants in the Moscow Kremlin. If we can learn the lesson of not falling into another very obvious Russian trap such as that posed by Tito, then it can be said that some good came out of Tito's return to his beloved Moscow.

I hope and pray that the illusion that Tito, while a Communist, is a different kind of Communist, which has engulfed so much of our officialdom, has finally come to an end. This illusion has caused untold damage to the cause of human freedom. This illusion has permitted the Russian agent Tito to send his deputies throughout all of the free world, and to plant the evil seeds of Communist propaganda and espionage. This illusion caused our Department of State to maneuver our proven allies, Turkey and Greece, into an unnatural alliance with a trojan horse of the Kremlin. This illusion has, in fact, given birth to the equally false notion that communism and human freedom can coexist and that through a process of political evolution, a new civilization will eventually take root on this earth. The illusion of Tito as a friend of human freedom and an enemy of the Russian despots is as false as the new theory of political evolution which presupposes that by some accident of nature, evil can be mixed with decency and that the future civilization it heralds can be at the same time both good and evil. I trust that the misguided advocates of this unworkable concept of political evolution will have learned, through their experience with Tito, that it is impossible to mix fire and water.

Two years ago I offered an amendment to the Mutual Security Act which read as follows:

*Provided, That no part of these funds shall be used for or on behalf of Yugoslavia.*

The obvious purpose of this amendment was to prevent the dictator Tito from using United States public funds to assist the international Communist conspiracy. I regret to say that amendment was rejected. Last year I was informed in advance of debate on the bill that there was very little likelihood that if I offered a similar amendment it would have any chance of adoption. This was due to the persistence of the illusion on Tito which has so misguided many of our decisions in the past. Consequently I offered an amendment which provided that no funds would be given to Tito unless and until members of the House Foreign Affairs Committee made a complete on the spot investigation in Yugoslavia of the end use of our funds and equipment theretofore given to Tito by the United States Government and that a favorable report thereon was submitted to the Congress. The wording of that amendment was and I quote:

No loan or assistance shall be made or given to Yugoslavia under this act, until the Committee on Foreign Affairs of the House of Representatives completes an on-the-spot investigation of all the military installations, depots, roads, and railroads in Yugoslavia, and certifies to the Clerk of the House that continued assistance to Yugoslavia is in the security interest of the United States.

This amendment was defeated. However, I then introduced a second amendment which made it mandatory on all recipient governments to grant to the United States the right of complete inspection of the end use of all grants and assistance. This amendment was adopted and incorporated into the act.

Tomorrow at the appropriate time, I intend to submit an amendment to the Foreign Aid bill, the object of which is to deny to Tito any aid whatever. I feel this amendment merits the support of every Member of this House and I ask my colleagues to give careful thought to it between now and the time it comes up tomorrow.

Our feeling with respect to the cause of Guatemala is, of course, directly opposite to that which I have expressed on Tito. Guatemala has demonstrated its allegiance to the cause which the United States has been called to lead throughout the world. Guatemala has thrown out the Russian stooges who only a short 2 years ago held control over the government. The Government of Guatemala today is struggling to overcome the blows to its national life struck by the Communists, and to bring about a prosperous, free-enterprise government. In my judgment Guatemala present a splendid opportunity for us to demonstrate that life is better and more full when it is free and under a representative form of government than it ever can be under a Communist dictatorship.

Throughout Latin America the agents of the Kremlin are working unceasingly in an effort to undermine representative government and to bring about chaos and class conflict. This conspiratorial movement was given a setback when the Communists were thrown out of Guatemala because there is abundant evidence to demonstrate that Guatemala, before delivering itself of occupation, was a

center of Communist intrigue and espionage throughout all of Latin America. But the Communists now consider their setback in Guatemala to be only a temporary one. At a Marxist meeting in New York City on April 13 of this year the principal speaker, touching on events throughout the world of importance to Marxists, stressed the fact that Guatemala was a focal point and at the same time deplored the temporary setback to Marxism in Guatemala. The former Communist president of Guatemala is now living behind the Iron Curtain in Prague, Czechoslovakia. It is a known fact that the Communists are preparing an effort to reoccupy Guatemala.

In face of this great opportunity which I believe we have to exploit freedom's victory in Guatemala, it appears as though we are not aware of this opportunity or that we are unwilling to cause a rapid economic advance in this recently emancipated country. I believe that the democratic leaders of Guatemala will put to maximum use for the cause of human freedom and decency and against the conspiracy of communism every single dollar authorized for Guatemala in this legislation. It is also my understanding that an amendment will be offered from the floor tomorrow increasing the grant to Guatemala. I intend to support that amendment and urge my colleagues to do likewise.

I refer back to my earlier statement on the misuse of funds through the United States Escapee Program for so-called White Russians residing in Red China who are attempting to infiltrate the free world through the Crown Colony of Hong Kong. Last year I spent 8 weeks in the Far East on an official inspection trip for the House Committee on the Judiciary. In that capacity I uncovered the misuse of United States public funds authorized under the legislation now before us and reported this violation of law to the House Judiciary Committee. I called for an immediate correction of this disregard for both the letter and the spirit of the law. I also appeared before the House Foreign Affairs Committee to present all the evidence available to me on this subject. For all those who would be interested in the details of this violation of law, I invite attention to page 925 of the committee hearings on the Mutual Security Act of 1956.

I am advised that the only way to prevent the further use of United States public funds to pay the transportation costs from Red China to countries of the free world of any more Communist espionage agents is by amending the law to expressly prohibit the use of United States public funds for that purpose. Therefore I will offer an amendment tomorrow to close up this dangerous breach in the security of the free world.

It is shocking to me to find that funds authorized by Congress to defeat the Communist conspiracy are, in fact, being used to open the doors for a wave of Russian espionage and propaganda agents to invade some 30 countries of the free world. Under the cover of what appears to be humanitarian action, a grave blow has been struck at the very foundation



of the free world. I urge you, my colleagues, to look into this matter so that you can raise questions with me tomorrow in order that this scandalous matter can be given a full public airing and stopped forthwith.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

M. FEIGHAN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I congratulate the gentleman on his statement and inquire if his amendment will cut out current deliveries? Over the past years I have tried time after time to prevent the shipment of United States jet airplanes to Tito.

Mr. FEIGHAN. The amendment which I propose to offer will stop forthwith any delivery, that in the pipeline as well as what might be provided otherwise under the bill.

Mr. FULTON. I will be glad to support the gentleman's effort.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Connecticut.

Mr. MORANO. With respect to Guatemala, does the gentleman know that I offered an amendment in the committee to increase defense support or economic development aid to Guatemala by \$5 million, and that it carried?

Mr. FEIGHAN. Yes; and I heartily support the gentleman's amendment.

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Illinois.

Mr. CHIPERFIELD. I, too, support the amendment offered by the gentleman from Connecticut, Mr. MORANO.

Mr. FEIGHAN. I thank the gentleman.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the question of what shall be our national policy with respect to foreign aid is again before Congress for consideration and decision.

The principal issues to be decided are as to the amount that should be appropriated and how long the extending of aid should continue. With each succeeding year there is more and more controversy as to how much, and, for how long, are we to continue to pay out large sum as aid to our allies throughout the world. The decision of these two questions should be based on how great is the necessity for a continuation of such aid.

Following the end of World War II, there was almost general approval of a policy of giving aid to our allies who had been so terribly distressed by the war. There was little doubt in the mind of anyone following the conclusion of World War II that a great need existed to rehabilitate and strengthen the war-torn countries of Europe. Their industries and their homes had been in large measure destroyed. Accordingly, the so-called Marshall plan was adopted. It was adopted, however, with the thought that it was to be temporary only. There

was no intention that it should become permanent or even long extended. However, it seems that year after year reasons, both new and old, have been given, or, necessities shown that have caused a continuation of appropriations to be made. Thus, from the day that the Marshall plan was adopted, we have continued to extend aid, but, in a constantly reducing amount. However, notwithstanding, the reductions that have been made in the appropriations during the intervening years, the amount is still great.

It cannot be denied that there is a constantly growing thought that the time has come when there should be a substantial reduction. It does seem that a giveaway program, whether it be for domestic or foreign uses, is hard to discontinue.

Those who are of this opinion point to the fact that the allies for whom we inaugurated the policy have been substantially, and, in most cases, fully rehabilitated. This may be true, generally speaking, with reference to industrial rehabilitation. It is gratifying to realize that such is the case, and, that our financial aid has really brought beneficial results.

It should also be kept in mind that the cause for all this aid is not alone to rebuild the industrial economy of the distressed nations, but, also to stave off and prevent communism from moving in and taking over these distressed nations and their peoples as a result of their distress. In this objective, I am glad to say, we have been as successful as we also have been in improving the economic stability of the European nations.

Now, it seems that the military necessities of not only European nations, but, also of Asia are being pressed as the reason to continue, or, to extend the area, in which financial aid is to be given by us. In this connection, it is to be noted that in many parts of Asia, as well as in the island nations contiguous thereto, there is also a growing demand for industrial and economic aid, and not military aid alone. Again the reason is advanced that such economical, as well as military aid, is necessary if we are to stop the growth and influence of communism in that part of the world. And, so it seems to go on and on.

Unpleasant though it may be for our people to be called upon to make these contributions, yet, we have done so with the feeling that we are thereby doing our part to prevent another war. The destruction of material things, and, above all, the tremendous loss of life, that would result from another world war, is beyond our power to estimate in this day of highly perfected weapons of war. To contrast the cost of war, on the scale it would have to be fought, with what we are spending in foreign aid to build a more peaceful world and to strengthen those whom we would expect to have as allies in case of war, is relatively small in the latter case, although we cannot help but feel that our financial sacrifice is great.

Although the cause of peace and foreign aid have a close relationship to one another, and, although we acknowledge

an obligation to improve and strengthen our allies, yet, we cannot be entirely unmindful of the needs that are so pressing in our own land, and, that because of our generosity to others, are not being met as fully as we would like. We need hospitals, nursing homes, facilities to improve the welfare of our handicapped persons, both mental and physical, and, our aged. These are but a few of the needs that are apparent in our land. Too often we find that our world obligations are curtailing or preventing the fulfillment of our domestic obligations. It is conditions such as these that make it imperative for us to give close and careful consideration to maintaining a proper balance between our foreign and our own domestic obligations.

Our Nation cannot be accused of being stingy in foreign aid. During the 10 years that have intervened since the conclusion of World War II we have contributed more than \$50 billion. As I have already said, this has produced some gratifying results, but, now that there has been such a substantial economic recovery and military strength regained by our allies, it seems that the time has come when he should make a careful reexamination as to what further commitments should be made for foreign aid. Certainly, there is no need, in my opinion, for an increase in appropriations for this purpose, nor, any justification for legislation that would provide a future, 10-year program of foreign aid. We should go carefully, making certain that aid should not be extended one year longer than is absolutely necessary, nor, for any amount greater than is necessary.

Last March the Congress was asked to appropriate \$4,900,000,000 for foreign aid. The House Committee on Foreign Affairs has reported this bill with \$1,109,000,000 cut from the sum requested. I am in accord with the action of the committee. I believe it is fully justified. As a matter of fact, in my opinion, the cutback could have been larger as all of the appropriations for the preceding 2 years have not as yet been expended in full. The committee has also shown good judgment in refusing to commit our Nation to a future 10-year program.

I have always supported the foreign aid program under previous administrations, as well as this present administration. I do so now, but, I am convinced the time has come when there can be some reduction, and, I hope the time is not far distant when the necessity to continue making such appropriations at all will disappear.

Of course, whatever our policy will be must of necessity give full consideration to the aims and purposes of the Soviet Union in world affairs. If Russia continues to think and plan from the standpoint of world domination, then, we must act accordingly and do all that is necessary in the matter of financial aid to make certain of our own security and the peace of the world. And, it is hoped that all the aid we extend will be helpful in maintaining our own security.

If we could only be assured and feel safe in accepting what seems to be a new Russian policy as 100 percent sin-



cere, it would make possible a much larger reduction in the appropriation for foreign aid than the \$1,109,000,000 now contemplated. In view of our long experience in broken promises by Russia, we cannot take too much for granted. Certain it is that we, as a peace-loving nation, will be glad to find that Russia is really sincere this time, as it would mean not only an increased peace of mind for everyone, but also a decreased need for large appropriations for armaments at home and aid abroad. The coming of such a day cannot be too soon for me, and, I know I speak the mind of all our people in this respect.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD], ranking minority member of the committee.

Mr. CHIPERFIELD. Mr. Chairman, I favor the passage of H. R. 11356 to amend the Mutual Security Act of 1954. These are difficult times for the American people, for the Congress, and for the executive branch—when international affairs are viewed against the permanent peace and security yet to be attained. Events move swiftly but the usual Soviet tactics continue, sometimes in this direction and sometimes in that direction, but always taking advantage of the developments in world affairs. I feel it is particularly important at this very time for the United States to be steadfast in its continuation of the mutual security program.

Let us remember the deteriorating situation and almost chaotic conditions which existed in the world at the end of World War II. Communism was running rampant, subversion was the order of the day, government treasuries were empty; many people were ill-fed, ill-clad, and psychologically ripe for conversion to Communist doctrine. Today, through the mutual security program and its predecessor programs, the economy of Europe has been substantially restored, Communist subversion has been minimized, and Soviet armed power is confronted with the deterrent power of NATO. Deterrent power, however, must not only be continued but must be increasingly strengthened in every possible way because the dangers which we face from Communist imperialism continue as before.

I know that there are some who are disillusioned with the mutual security program. In support of their disillusionment they cite the insecurity which still exists and the continuing threat from the Soviets. But I want to point out this fundamental principle which they overlook. No program of foreign aid or mutual security can, in itself, wipe out the danger confronting the free world. What it can accomplish, however, is to prevent the danger from coming to life and by making it clear to the Kremlin leaders that the cost to them of aggression would be too great for them to bear. This, I feel, the military part of our mutual security program has accomplished and is accomplishing today. It is for that reason that I opposed in committee the cut of \$1 billion in military aid which the White House and the Pentagon say is essential to the security of the

United States. Funds for military assistance in the mutual security bill are in reality for our own defense. I think this is an essential fact which cannot be too strenuously emphasized. I feel that the cut of \$1 billion was a grave mistake. The cut of \$1 billion in military funds is cutting the very heart of our military effort and to that extent will diminish the deterring effect of our program. This is the very time, when despite the diminishing efforts of other countries, our own efforts must, if anything, be increased so as to give the world leadership and reassurance. I hope that at least a substantial portion of the cut will be restored when this bill finally reaches the President's desk for his approval. However, I want to point out that I voted for a \$500 million cut.

I likewise feel that the nonmilitary aspects of the mutual-security program are vital to the security of the United States. While these programs do not involve guns and ammunition, they involve fulfilling to some extent the basic needs of people and to fight not a military fight but a human fight against hunger, poverty, disease, and illiteracy.

I am pleased to note that the committee voted \$5 million in additional funds for defense support in Latin America, which amount is to be added to the amount requested for Guatemala by the executive branch. Guatemala stands in the unique position of being the only country in the history of the world which has been able to throw off the yoke of Communist tyranny. This country is a vital and much needed anti-Communist bastion in an area which is definitely linked to the security of the United States and the whole Western Hemisphere. Certainly, defense support assistance to Latin America to help nations maintain internal defense and economic and political stability is vital to our own peace and security and deserves the support of all of us.

Because the mutual-security program is so important, and because its policies and objectives are so vital to our own security, it is essential that they be constantly reappraised and, wherever possible, improved. That is why I proposed in committee an amendment to the bill including a provision which would give congressional sanction to the creation by the President of a Commission on Mutual Security. I do not look upon such a Commission as an abdication of congressional responsibility and control. It is the responsibility of the Congress, and particularly of the House Foreign Affairs Committee, to study and evaluate on its own the effectiveness of existing programs. But I do feel that such a Commission as proposed by the President, particularly if it is made up of individuals of high caliber and unquestioned qualifications, could do much to assist not only the Executive in the formulation of foreign policy, but also the Congress in making the implementation of that policy possible.

There are still many world problems left unsolved. The world still faces in the Soviet menace the greatest danger it has ever confronted. But the main reason we are now at peace is because of the deterrent effect of the mutual-security

program against Soviet aggression. Without such a program, without the United States assuming the responsibilities of leadership, and without the moral impulse behind our efforts, we would be faced not only with a grave danger but with chaos. The mutual-security program has thus far been successful. Just because of the Soviet's blandishments that they want peace is no reason we should cripple or abandon the program at this crucial time.

Mr. SCHENCK. Mr. Chairman, will the gentleman from Ohio yield me a minute?

Mr. VORYS. I yield.

Mr. SCHENCK. Mr. Chairman, I ask for this opportunity to make an inquiry of the ranking minority member of this committee. Many people have been of the impression that when foreign aid was allocated to certain foreign governments the money actually went to those governments and was spent there. Would the gentleman from Ohio comment on that?

Mr. VORYS. Some people have the idea that we ship dollars all over the world. As a matter of fact, the dollars stay here. In the 1955 program, 82 percent of the commodities purchased were bought right here in the United States; that is 82 cents out of every dollar was spent in the United States.

As to off-shore production where we purchased equipment overseas, and salaries paid our overseas people, of course, the dollars are of no value until they are finally spent in the United States. That is why people in other countries want dollars. But the idea that the dollars themselves are shipped around the world is a mistake. At least 82 percent of them stay right here and the rest of the money comes home soon after.

Mr. SCHENCK. As I understand the comment of our colleague from Ohio it is that the money allocated in this bill is actually to be spent in this country and produce employment business and industry in this country.

Mr. VORYS. It goes to American industry, business, and agriculture. For instance, here are examples of ICF purchases in Dayton, Ohio, in the gentleman's district, that I have learned about since the gentleman spoke to me on this matter earlier today:

Dayton Rubber Co.....	\$900,000
Master's International, Inc.....	60,000
Globe Tool Co.....	73,000
International Clay Machinery Co..	180,000
Garrison Machine Co.....	16,000

This does not include subcontracts, or purchases made through exporters. The following companies produce under defense contracts—I understand that part of their output goes to this military defense assistance program—National Cash Register Co., Dayton Rubber Co., International Tool Co., Chrysler Corp., Standard Register, Globe Industries, General Motors, United Aircraft Products.

Mr. SCHENCK. I thank the gentleman.

Mr. VORYS. Mr. Chairman, I yield 20 minutes to the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

Mrs. FRANCES P. BOLTON. Mr. Chairman, before addressing myself to



the bill under consideration, I want to pay tribute to our distinguished and beloved chairman, the gentleman from South Carolina [Mr. RICHARDS]. This is the last large bill to be piloted through the House by Mr. RICHARDS. For myself this is an occasion of personal regret. In the 16 years we have served together in the House and on the Committee on Foreign Affairs I have enjoyed his friendship, his warm personality and wise counsel. We are a committee of 32 members, rugged individualists, each with firm ideas and strong opinions. But under Mr. RICHARD's leadership we have moved forward as a group and emerged from sharp debate without any ill-feeling on the part of the members. He has the unusual and happy faculty of keeping all of us in the best of humor during long and tedious sessions. More than that, he abounds in commonsense and good judgment. These are qualities that everyone of us appreciates and all of us will miss. I wish him and his dear wife only the happiest days.

From this side of the House we have heard the clear analytical speech of the gentleman from Ohio [Mr. VORVY]. With his usual zeal and diligence he has plunged into the details of this bill. I know of no other Member who has the capacity to analyze elaborate statistics and to derive from them a better understanding of the ramifications of this program. On the basis of his detailed analysis, he is able to put into succinct and colorful language the essence of each part of the bill, and thereby make it more intelligible for us to follow. He has been the real workhorse of the committee on this bill.

This bill that we are considering today authorizes the appropriation of \$3,563,475,000 to carry forward the mutual security program. This is \$1.1 billion less than the Executive request. I was 1 of the 11 members of the committee who voted against the drastic cut on the basis that it was far too severe and that careful enough analysis of all the factors involved had not been made. Anyone who has watched the development and spread of Communistic power since 1917 and even before as I have done, cannot but recognize this last change of tactic as just another and exceedingly dangerous approach to the goal from which they have never swerved—that of complete control of the world. It would be folly for the free world to relax its vigil. It would be disastrous to lessen our military strength. That strength does not emanate from the United States alone. It is a combination of strengths of all the nations of the free world. To the end that we may continue building security for freedom, we are here today to consider H. R. 11356.

I shall not repeat the many points made by those who have spoken before me.

Mr. Chairman, as in other years we begin by emphasizing the controversial parts of this legislation. We should place great emphasis upon the things we do to help countries wanting to uphold freedom—but we should not fail to paint the picture of those things we are doing that are unbelievably good and constructively successful.

I do want to emphasize two areas, the Near East and Africa, which are important to the West, and I use the word synonymously with "the free world." In these African areas we have airbases and listening posts. Any slackening of our determination to hold these for the west would be suicidal. In addition, I must repeat what you have often heard—the importance of the areas of the Near East, from Turkey down, the great bridge between the East and the West. I must remind you that the Communist leapfrog tactic, going on at the same time that they were changing the external look of their method into one of greater friendliness, is a most dangerous one. It is my earnest hope that nothing will be cut out of this bill that could make for strengthening of this area.

It is my intention to discuss other parts of H. R. 11356—parts which have to do with development assistance, technical assistance and some of our activities within the United Nations. The development-assistance program has as its purpose to help meet economic crises which are considered a threat to the United States and to the interest of the free world. These build those greater values and uphold those ideals that the people of the world seek—the nonmilitary aspects of living which are necessary if supplies and commodities and funds are to be available in these freedom-loving countries.

To me it is more than just serious that the cut included one of \$100 million in the development-assistance program. That money is intended to serve as a catalytic agent to strengthen the desire and the capacity in the countries of the Near East and southern Asia that they may stand firmly against Soviet penetration. The rather small sums that we are giving them provide the incentive for them to use far larger amounts of their own money to make the effort that will assure a more orderly development of their economy and so of their strength. It is in keeping with the traditional and historic method of the United States in the world.

The committee gave especially serious study to the portion of the bill having to do with technical assistance and made no cut. If one considers the far-reaching implications one cannot but feel that technical assistance programs are perhaps the greatest achievement of the world today—the greatest contributions we can make to our civilization. The sharing of our trained technical know-how with other countries of the world which have not been able to develop their national and human resources to the extent that they are in a position to meet the national need of their people, the provision of trained peoples of other countries in leadership capacity and preparation to return to their own country to assume roles of leadership in the years to come perhaps will be the greatest contributions of this small program. While it accomplishes this, it is building understanding between the United States and freedom-loving nations that have dared to share in such programs. Technical assistance programs are helping to meet the aspi-

rations of the people, not by costly and ill-conceived ventures, but by small, sound demonstrations and the exchange of information.

Because I spent more than 3 months in Africa and the Near East, I shall confine myself to putting before you the results of my own experiences in a number of individual countries. I can assure you it was good to see our people working side by side with natives in the different countries, teaching them simple techniques to improve their agriculture, to raise their health standards, and to provide elementary education.

Few Americans understand how down to earth our technical assistance programs are. The ordinary transient who visits the capital cities has no opportunity to observe the diversity of our activities and no occasion to understand the appreciation with which our efforts are met. Let me illustrate my point by reference to our programs in a few countries in a part of the world with which I am familiar.

Egypt is essentially a country of desert. More than 90 percent of its 22 million inhabitants are concentrated in the narrow valley of the Nile River. In order to provide for its increasing population, the Egyptian Government is reclaiming sandy areas as water becomes available, determined to become a more than one-crop country. Her uses of the new acreage are going into general food supplies to feed her own people.

In the western desert the Government of Egypt has set aside a 25,000-acre area that will serve as a pilot project in desert range development. Already forage production on parts of the area has been increased as much as tenfold. Fencing, reseeding, water-spreading and other soil and water conservation practices have been used to accomplish this. To complete the project, sound methods of grazing must be adopted and demonstrated and improved animal handling and breeding practices introduced. Like many other governments of underdeveloped countries, Egypt has undertaken extensive agricultural extension service. Already 510 Egyptian extension workers are on the job. It is expected that this number will shortly be raised to 1,000. Extension projects have been started in 3 of the 15 Provinces. The purpose is to show the actual operations of all phases of a planned extension program.

Training schools have been set up on the national and the provincial levels. Underground water development and drainage improvements are an important part of Egypt's soil reclamation program. Drainage studies are in progress in a pilot area of 43,000 acres. Crop improvement is being studied through field and laboratory research with a view to finding efficient varieties of the various crops commonly grown in Egypt. One of the most important developments to date in this field has been the introduction of hybrid maize.

The United States is contributing to the health activities of the Institute of Public Health in Egypt. Our work there is essentially of a technical character, providing assistance in the training of personnel and the operation of equipment.



In talking with individuals who are working in this field I was told that already there are plans to reduce our personnel as trained Egyptian personnel take over. In the field of education the training of teachers for rural elementary schools has been made possible by our assistance. This project embraces all phases of elementary education, including health education, the preparation and utilization of visual aids, and the planning of buildings and facilities. United States technicians are helping to develop a pattern of general education on the junior-high-school level and, with the assistance of the Ministry of Education, are developing plans for training centers for secondary schools teaching homemaking, agriculture, and industry.

In Ethiopia our program has been established principally around the fields of general education and agricultural education. During my visit to Ethiopia last fall, I visited a number of the projects in the field of agriculture. I came away with a feeling that our work there was based upon sound principles that contributed to the economic development of the country. Ethiopia is one country in which we have a number of small projects in the field of agriculture, but all of them are coordinated toward the development of its agricultural base. The agricultural college and extension service have benefited from the technical-assistance advice which we have given. A countrywide system of agricultural extension and agricultural experimental stations has been started. To meet the perennial problem of locust control, a special pest-control unit has been set up in the Ministry of Agriculture. Demonstration work with farmers in one of the areas near Addis Ababa is devoted to the improvement of livestock breeding and marketing of cattle. Ethiopian coffee has been increasing in popularity in the last few years. Our contribution has been to improve the methods of producing, processing, and marketing this important item. In one of the Provinces of Ethiopia an urban health center has been established to serve as a demonstration of a modern public-health department. Included in this project is the construction of a health-center building, the provision of technicians, and the training of Ethiopian nationals to staff the unit. Perhaps one of the most thrilling sights is to see the contribution which we have made in the field of education in Ethiopia. Technical assistance is being provided to the Ministry of Education for the development of a modern educational program and a school system adapted to the needs of Ethiopia. Education technicians are now working in several activities, including visual aids, school publications, and curriculum development. Teacher education is being provided for a very modest amount. Next year we are planning to spend \$15,000 for the establishment of a training school in the capital. Ethiopians, like many other peoples in Africa, have an unusual talent for handicraft work. Unfortunately, the products have a limited market. Through our technical-assistance program we are training Ethiopians to make their products adaptable to for-

eign markets. A vocational trade school and a nurses' training school are two other projects in which the United States is playing an important part. As is so frequently the case, the success or failure of the program depends upon the quality of personnel. I am aware that last fall and running on into this year there were certain personnel problems that slowed up our technical-assistance programs in Ethiopia. Mr. Hollister's alert office in Washington, aware of this situation, has taken steps, through the transfer of various individuals, to make it possible for our program to operate more smoothly.

United States technical cooperation program in Israel is designed to promote maximum utilization of Israel's total resources through the improvement of its technology principally in management of industry, minerals development, irrigation, and transportation.

I wish you could have been with me in Israel. I wish you could have gone with me to the many installations where the Hadassahs work. There was a wonderful school where boys in their early teens were learning how to make perfection instruments and at the same time learning how to be foremen. There was a little 14-year-old boy who was teaching two 13-year-old boys how to make a precision instrument, and it was one of the most exciting things I have ever seen; he was so proud.

Then there is another school where men who had finished their army service and were learning how to make equally important but a little cruder machinery. This particular project has help from our point 4 program.

One need only move around Israel to see the importance of our contribution to that country's growth. Our technicians are helping Israel in a wide variety of fields of activity. Up to the present the greatest emphasis has been on agriculture, with considerable progress made in plant breeding, animal husbandry, soil conservation, water spreading, and irrigation. Emphasis is now being shifted to industry where contributions have already been made in the textile industry, chemical and fertilizer production, glass and ceramics manufacture, and metalworking. For the next year our programs of assistance will be in the development of managerial skills, the technology of industrial engineering and industrial design. Assistance will be continued in mining and public administration, and on a slightly decreased scale in such other fields as public health and sanitation, education, transportation, and community development.

Liberia is the only independent nation in west Africa. The United States played a leading role in its formation. Peoples south of the Sahara are now seeking to achieve the political status now over 100 years old in Liberia. Everywhere they are on the move, politically and economically. The effect of our technical cooperation programs in Liberia is certain to have a profound influence on the opinions of the United States held by large populations of native peoples in Africa.

The prime objective of our aid is to help Liberians locate and recognize the

potential wealth of their country and to assist them in learning ways of doing things to develop their resources more fully. The country is rich in agricultural, mineral, and forest resources. With technical guidance the Liberians will be able to gain income from these resources with which to help themselves, to support and improve education, health, and other public-service programs essential to their continued growth.

Until our program was inaugurated, Liberia was deficient in many of the essential phases of government administration and organization by which its programs could be effectively administered. A department of agriculture has been built up and a basic staff trained in the rudiments of operating an extension service and a central experiment station. A successful demonstration of swamp-rice production has shown the way to high rice yields on former unused land. The first step in developing plans for the utilization of its potential forest resources was the development of a bureau of forest and conservation. A highway department has been established and most of the basic staff trained. Within the last few years the discovery of large iron deposits in the interior of the country has increased the interest of private investors in Liberia. The exploitation of these resources requires the progressive development of a trained labor force as well as the training of professional people. Through contracts with American universities initiated under our aid program, professional and technical services are being developed to provide the requisite training.

The program in Iraq conforms more nearly to what a technical assistance program should be. This situation arises from the fact that the Government of Iraq has adequate revenues of its own in the form of oil royalties. During the current year, for example, it will have at its disposal about \$140 million, which is almost exactly the equivalent of the rest of the Government's regular budget. The big need of Iraq is the services of competent technicians to assist in implementing its development program. For that reason the United States has eliminated practically all equipment, including demonstration equipment, and has concentrated its small budget of about \$2 million in supplying technicians and providing training assistance for Iraqis to go to the United States. United States personnel is assisting in organizing and staffing the newly established agricultural college. They are serving in advisory and policymaking positions to the irrigation directorate. They are providing guidance and program direction in agriculture extension and in the use of agricultural machinery. To meet the pressing transportation needs of the country American personnel are establishing a modern bureau of roads. Practically the entire field of public health is being developed under United States guidance and according to United States standards. Iraq is one of the few countries in the Near East capable of absorbing more people on the land. One of the factors delaying the settlement on public



lands is the lack of administrative talent in providing developed land sites for the people. With the assistance of American technicians, extensive plans are under consideration for the implementation of a countrywide program that will provide for the settlement on these lands. Iraq's problem is not one of money, as I have indicated earlier. Rather, it is the wise use of this money that has troubled the Iraqi Government. The Iraq Development Board, which is an overall planning organization controlling the economic development of the country, draws heavily upon American technicians both at the executive and advisory levels to give guidance in its expenditures for development purposes.

In presenting in some detail the programs in each of these five countries I have tried to show the variety of projects in which our Government is engaged. Naturally there are some real problems which we face. Frequently the local governments desire to progress more rapidly than is physically possible and are disappointed if results are not forthcoming promptly. They tend to place too great emphasis on physical construction and not enough emphasis on human values. There is, too, a lack of appreciation of the necessity for adequate preparation and coordination. In other cases, a shortage of appropriately educated personnel who can be given further specialized training by our technicians is an obstacle to progress. We are, for example, constantly scraping the bottom of the personnel barrel in engineering, agriculture, public health, and many other areas. It is difficult to find appropriate counterparts as there is too great a demand for their services everywhere. There is also too great a tendency to rely on foreign technicians. Finally, rather frequent political changes have impeded the orderly progress and operations of the programs.

Most of these problems are basically the kind of problems we like to have. They are growing pain problems—problems arising from a rapidly developing economy. They are problems of guidance and coordination in making a moving economy proceed in a balanced manner. These are much easier to deal with than the problems of stagnation, depression, and inertia. While it is easy to criticize many features of these programs, the basic fact remains that from the total point of view the elements of strength far outweigh the demerits.

All of the programs which I have described heretofore are bilateral programs, that is, between our Government and the local government. This bill carries a small authorization of \$15,500,000 for United States contributions to the United Nations Expanded Program of Technical Assistance. Judging from the inquiries which I have received there is some confusion in the public mind that this sum represents a reduction from the amount which the Congress voted last year. I would like to clear up any confusion on this point. The United Nations Expanded Program of Technical Assistance operates on a calendar year basis. Last year the Congress voted \$24 million to cover the United States contribution for 18 months, that is to say, for

the period running through December 1956. Of that amount \$8,500,000 was pledged for the last half of the calendar year 1955 and \$15,500,000 has been pledged for calendar year 1956. The amount requested in this bill, therefore, is identical with that pledged for the current calendar year. The Congress has stipulated that United States pledges for this program can be made only on the basis of funds appropriated. This coming October there will be a meeting of the United Nations Technical Assistance organization to lay the plans for its program for calendar year 1957. In order that the United States may make a pledge at that time it is necessary that we authorize the sum in this bill. The committee's comments on its reasons for recommending this program will be found in the committee report. Because they succinctly express our views I should like to quote them:

United States leadership in the United Nations is strengthened by our continued strong support of this program. The substantial contributions made by this Government have been interpreted by other countries of the free world as evidence of our good faith in desiring to promote the economic development and well-being of underdeveloped countries. Indication of the appeal of the program is the Soviet "about-face" toward it. For several years the program was denounced as a tool of "United States imperialism." Since 1954 the Soviet has pledged 4 million rubles, equivalent to \$1 million. Similarly the satellites have made pledges. The committee was informed by the Hon. Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, that "No payment would be made to Soviet bloc experts from the United States contribution to the United Nations technical assistance program." (Hearings, p. 483.)

In the light of this participation, it is more important than ever that the United States continue its support.

One other portion of our mutual security program that shows the concern of the United States for the human element is our continued support of the United Nations Children's Fund. This marks the 10th anniversary of the Fund. Originally established as an emergency operation to help meet the conditions of hunger and want among children in Europe following World War II, the Fund has expanded its interests and resources in recent years to assist the less advanced countries in Asia, Africa and Latin America in the development of permanent child health and welfare services, and in the control and eradication of debilitating diseases.

An estimated two-thirds of the world's estimated 9 million children still live in areas where malnutrition and disease and outmoded maternal and child health practices threaten to deprive them of an opportunity to develop into healthy self-supporting adults. From a global, long-range standpoint, raising the children of today to be productive and good citizens of tomorrow is a most important consideration in our total effort to achieve worldwide peace and economic stability.

The underdeveloped countries lack the financial means to cope with the vast problem of restoring and improving the health of children. Outside assistance is sorely needed. The Children's Fund

has been the focal point through which international aid for children has been provided. It is in our Government's interest to continue its support of the Children's Fund, both for humanitarian reasons and for the abundant good will which the United States has gained through its participation in the program.

Prior to this year, the Soviet Union remained completely aloof from the program. In recognition of the good that has accrued to countries aided by the Fund, the Soviet Union last summer announced a pledge of 2 million rubles, the equivalent of \$500,000 to the calendar year 1955 program of the Fund. Now that the Soviet Union has come into the program, it would be unfortunate if the United States allowed its position of leadership to weaken.

Mr. Chairman, there is little in this bill that is new. In one form or another most of it has been before us for a number of years, though there is some shift in emphasis. The course of international events has necessitated other adjustments. But the basic philosophy has remained consistent through the years.

No one who supports this measure will represent it as a cure-all for the world's ills. But it is a constructive program responsive to the challenges we face today.

I have spoken of the necessity for the large military funds, and of my opposition to so drastic a cut in our national security. But it is equally important for our national interest that we not pin all our security to armaments. Men live by faith more than by guns. It is our responsibility as a world leader to offer constructive alternatives. This is the purpose of the nonmilitary funds in this bill. Some critics of this program say callously that we are trying to buy friends. I reject this suggestion. We are offering to those who are free and want to remain free some hope that freedom has advantages infinitely greater than subservience and slavery.

This bill provides modest amounts, not to buy freedom, but to build freedom. In the process of building there will be trials and errors; mistakes that all of us deplore. But we must never lose sight of our goal.

I sincerely trust that this House will see fit to restore a large part of the cut, and will pass the legislation with few changes.

Mr. VORYS. Mr. Chairman, will the gentlewoman from Ohio yield?

Mrs. FRANCES P. BOLTON. I yield to the gentleman from Ohio.

Mr. VORYS. The gentlewoman has made a brilliant analysis of an area with which she is familiar. I should like to ask this question. Through her own studies and travels in the Near East and Africa, she has made many of us feel that the great continent of Africa is the new frontier, culturally, economically, and perhaps militarily. Would that be an accurate statement?

Mrs. FRANCES P. BOLTON. The gentleman expresses it exceedingly well. To my mind, Africa is the great new frontier. She is becoming a tremendous force in the world. Do not forget that she has all



the raw materials that we need so desperately.

Mr. FULTON. Mr. Chairman, would the gentleman yield to me?

Mrs. FRANCES P. BOLTON. I yield to the distinguished gentleman from Pennsylvania.

Mr. FULTON. May I congratulate the lady on her excellent statement and say that she is awakening America as well as Africa to the prospects of this great new continent.

Mrs. FRANCES P. BOLTON. I thank my colleague from Pittsburgh very sincerely.

Mr. VORYS. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. SMITH].

(Mr. SMITH of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Wisconsin. Mr. Chairman, approval of the bill before us will launch an international race in competitive economic aid. The dangers that lurk in such a program must be obvious to all. It could bankrupt the economy of our country and with it demoralize existing economies abroad.

Communist aggression is chiefly political and it is time that the makers of foreign policy understand that fact of life. Yet we seem to be at a loss to meet that issue. On the other hand, the Communists know where they are going. Their economic policies are always slanted toward the political and therein lies their strength. Conversely it is our weakness.

The Soviet theme or propaganda line alleges that the West or the free world is imperialistic; that the Western Powers are determined to insure policies favorable to a continuance of colonialism. Colonialism is feared by all Asians as we must know. It is true that they are not yet afraid of Communist imperialism but they still remember the British, French, and Dutch who at one time were their absentee rulers and with whom we are now allied.

They know or should that the historic policy of the United States is opposed to colonialism but nevertheless they make the charge on the basis of guilt by association. In short the argument goes: All capitalist nations are imperialist—therefore the conclusion that we are imperialist. This is utterly false; but millions of Asians and north Africans believe it.

Soviet propaganda presents a positive picture of world policy and offers economic aid within a wide ideological framework. It broadcasts daily that it stands for a world without domination by any one nation over another. It blatantly states that all peoples under the Communist banner will cooperate in creating a peaceful brotherly international order based on Socialist and Communist principles. All this, they say, will certainly raise the living standards of people everywhere.

Mr. Chairman, if we are so foolish as to enter into a competitive economic aid race with the Communists, we will come out second best. We know that they can offer a sales program that promises the moon or everything that the peoples of

Asia desire. They continue a constant harangue to the effect that capitalism is bound to fail and that communism offers the only real program for survival and a better way of life. In short their approach is not based upon the principle of fear but upon the principle that communism is bound to succeed.

Our approach, on the other hand, Mr. Chairman, is negative. It is based on fear and it is defensive. We in the United States by our advocacy of the legislation before us, state unequivocally that this program of necessity involves our own security and that we must give assistance to the underdeveloped areas in order to keep them out of the Communist orbit. This is purely a self-interest approach and I believe is self-defeating. Why should other nations be asked to assist us in the matter of our own security?

I would call attention, Mr. Chairman, to a phase of the legislation before us which I think is fatal to the establishment of sound relationships with other nations in the world. We should know that the people of Europe and Asia too do not want war. Yet the emphasis in this bill is primarily upon the military or military assistance to support it. We are blind if we fail to recognize at this time that other nations will not fight to preserve our national security. "Neutrality" is on the march among our friends in Europe and Asia. There is some doubt at this time that they will fight at all, even though they are associated with us in military alliance.

One writer recently made a pertinent observation on this very point, and I quote:

In all this welter of western insistence upon self-interest and self-defense, one looks in vain for any consistent exposition of a positive policy of foreign aid, for some general political philosophy to match Communist confidence in world brotherhood based upon Socialist production, some framework of solidarity between givers and takers of aid, some aspect of common concern beyond the narrow limits of common fear.

We need not necessarily agree completely with that statement but we must admit it contains some thoughts that should have the attention of the free world. I repeat that our only policies today are based on fear and that is a completely negative concept.

Mr. Chairman, for 12 consecutive years now, the Congress has considered foreign-aid authorizations and appropriations. This program was initiated at the close of World War II and except for a few changes in terminology, its purpose and objectives are the same.

In this long period of time the people of the United States have assumed the burden of foreign aid hardly without complaint yet with highly questionable results. Communism marches on and is expanding its perimeter not by war but by political infiltration. Our "one-two" punch has been reliance upon increased military appropriations and economic aid. Today we are being told when the question is asked that a termination date of this program cannot be fixed. In other words, the program goes on and on and on. There are those so bold as to suggest that it might be a 50-year pro-

gram, yea, a permanent program ad infinitum.

At this point, I shall include a brief summary of foreign-aid money paid out by our taxpayers from July 1, 1945 to June 4, 1956. This covers the postwar period of World War II to date. It also shows the amount of foreign-aid funds available from July 1, 1955, to this time.

[In millions]

Grants paid out July 1, 1945, to June 30, 1955.....	\$41,842
Grants unexpended as of June 30, 1955.....	8,700
Appropriations provided for fiscal year 1956.....	2,703
Total grants.....	53,245
Less: Returns on grants to June 30, 1955.....	1,493
Net aid in grants.....	51,752
Loans paid out July 1, 1945, to June 30, 1955.....	12,117
Grants converted to loans and not included in grants above.....	2,256
Loans authorized but not paid out June 30, 1955.....	2,433
Total loans.....	16,806
Less: Principal collected on loans to June 30, 1955.....	3,386
Net aid in loans.....	13,420
Total net aid.....	65,172

This year, Mr. Chairman, the Congress has been asked to consider a much larger request than it did for fiscal 1955 and 1956. The President asks for \$4.9 billion which is \$2 billion more than requested in the 2 previous years. I submit that there has been no adequate explanation to justify this request.

Again this year we are confronted with a recurring condition, namely, that of large unexpended balances in the fund. It is evident that the executive department cannot spend the huge sums of money that Congress has been authorizing and appropriating. The fact seems to me, Mr. Chairman, that neither the executive department nor the Congress has but little knowledge of the real situation that exists under this program so far as spending goes. Is it fair to charge that the Congress is guilty of fiscal irresponsibility? The situation can be corrected if we set our minds to it. However, under this bill no relief in that regard is suggested.

Our committee has cut more than \$1 billion from the total amount requested by the President. It was prompted, I am sure, by the large unexpended balances from previous years. If I understand the figures correctly, it appears that there will be approximately \$6.8 billion unexpended at the end of the present fiscal year—and if the amount now provided in the bill before us is approved, there will be available in excess of \$10 billion for fiscal 1957.

Mr. Chairman, the special task force under the Hoover Commission which was assigned to make a study of overseas economic operations submitted a report to Congress a year ago in which it expressed great concern over the continuing large outlays for foreign aid. The



Commission made this pertinent observation, and I quote:

Surely, after almost 10 years, the time has come to apply some brakes to this overseas spending program. We believe, therefore, that the Commission should recommend substantial reductions in expenditures for this purpose. By no other means will the growing trend toward permanent foreign spending be halted.

It was, Mr. Chairman, with some surprise to many that notwithstanding this admonition by the Commission the President and the Secretary of State should recommend increased spending for the coming fiscal year.

Mr. Chairman, the bill before us may be divided into three parts: First, military; second, economic; and third, technical assistance. I shall not take the time now to discuss the details of the program and especially the military aspects of it. I shall limit myself to a very brief statement regarding economic and technical assistance.

Economic aid if offered at all should be approved on a loan basis and not in the form of gifts except where there may be a showing of absolute necessity on the part of the recipient country. Such a case might be Korea and there may be others.

Mr. Chairman, the heart of the foreign aid program, if it has one, is in the so-called technical assistance field, but this is a field which does not require the expenditure of huge sums but rather limited appropriations, perhaps over a long period of time. The original philosophy behind technical assistance was the transmittal of knowledge, skills, and know-how to the peoples of the underdeveloped countries.

I regret to say, Mr. Chairman, that as the program has developed in the last few years, the administrators of it have gone far afield from the basic philosophic concept. Last week, I was surprised, no, not surprised but shocked, when Mr. Hollister, the Director of International Cooperation Administration, testified before the Senate committee as to the extent that his agency intended to disburse tax dollars on projects overseas. He was quoted in the press as saying when asked how the money was to be spent on several schemes:

These include the \$20 million nuclear research center in the Philippines; harnessing the Mekong River to control floods, provide transport and bring power to Laos, Cambodia, and Vietnam; building roads between India and Nepal and Afghanistan and Pakistan; and constructing piers to help India ship iron ore to Japan.

This kind of program, Mr. Chairman, is, as I see it, a perversion of the philosophy underlying technical assistance and it is an unjustified waste of American tax dollars.

I submit, Mr. Chairman, that as the debate on this bill continues, there should be a searching analysis on the provisions of it and I am satisfied that it would not be necessary to authorize the spending of another dollar this year—without damage to the program.

Mr. GORDON. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, I would like to take this opportunity to join with my colleagues in paying tribute to the chairman of the Committee on Foreign Affairs [Mr. RICHARDS]. During the short period of time I have been a member of this committee, I have learned to admire and respect the chairman. As you know, the chairmanship of the Committee on Foreign Affairs carries with it great responsibilities and Chairman RICHARDS has always discharged those responsibilities in a fair and statesmanlike manner. It was with deep regret that we learned he would not seek reelection and I, for one, shall sorely miss his wise counsel and warm friendship. I joint with his many friends in wishing for him and his charming wife many future years of happiness and good health.

Mr. Chairman, the contents of the mutual security bill, which is now before us, comprise a number of items. Many of them had their origin at different times in separate pieces of legislation. But all the items have a common purpose. The annual cycle of authorizations and appropriations for mutual security has become so much a part of our legislative routine that this purpose is often forgotten or obscured by our attention to the details.

This program has developed to meet the postwar challenge of the Soviet Union. For almost a decade that challenge was presented in military terms. The Soviet Union took over the Baltic States. The governments of eastern and central Europe were brought under its domination. It threatened the nations of Western Europe. In Iran, in Korea, in Vietnam, in Laos, in Indonesia, and in other countries of Asia and the Middle East the Soviet Union directly or indirectly has sought to overthrow established governments.

In the last year, however, the Soviets have reversed their tactics. Many people in the free world have interpreted the smiles and sweet words of the latest Soviet leaders as a new Soviet philosophy. I cannot agree with this conclusion. All of the present leaders of Russia owe their survival and positions to strict adherence to the teachings of Lenin and Stalin. None of them has denounced or even questioned any part of basic Communist doctrine. Only last fall, Nikita Khrushchev told the East German Communists:

If anyone expects us to forget the doctrines of Marx, Engels, Lenin, and Stalin, he is making a tremendous mistake.

There is no real evidence that the Soviet changes in tactics constitutes a change in basic policy, and the awareness of this fact by the people of the United States is reflected in the extraordinary appropriations voted by Congress for our own Department of Defense. Only recently the House approved without a dissenting vote a defense appropriation for fiscal year 1957 of \$33.6 billion in new funds.

The defense plan of the United States envisions a coordinated effort by ourselves and our allies to repel Soviet aggression. The only difference between

our own defense appropriations and the military funds contained in the mutual security bill is that the former supports American forces while the latter assists friendly foreign forces. The purpose is the same—to maintain and increase the military position of the free world.

We have been advised repeatedly that if we fail to assist our allies in strengthening their forces with the military assistance supplied through the mutual security program then our own defense expenditures must be greatly increased. This is easily understandable when we realize that it costs the United States at least eight times as much to maintain a United States soldier overseas as it does to contribute to the support of a foreign man in uniform.

Mr. Gordon Gray, Assistant Secretary for International Security Affairs, Department of Defense, emphasized these facts in his testimony before the Foreign Affairs Committee this year when he said "but for the military forces generated, stimulated, and assisted by our military-assistance program, to attain the same measure of military security in the world our own forces would have to be larger."

Admiral Radford pointed up the close relation between the two programs when he informed the committee that the mutual-security program "is an essential part of the defense of the United States and of the free world. In planning military programs of the United States the existence and scope of the military-assistance program is fully considered. There is no duplication. They supplement each other. Both are essential to our own national defense."

Secretary Dulles, as the final witness before our committee, summed up the interrelation of our own defense expenditures and those provided for in this bill in the following words:

The total figure for all forms of national security, domestic and foreign, is about \$40 billion. Of this, about 90 percent is spent on our own United States Military Establishment. Approximately 10 percent is spent through foreign governments, for the most part to help our allies hold positions which are vital both to us and to them. This 10 percent makes up what we call a mutual-security program.

The testimony of these and other key officials that mutual security military funds are vital to our own defense caused several members of the Committee on Foreign Affairs, including myself, to attempt to ascertain the reasons for including these military-aid funds in the mutual-security bill rather than in the Defense Department's annual appropriation bill. Most of the witnesses failed to present any substantial reasons for the procedure now being followed. In fact, Mr. Gray said that "the Defense Department could live under either structure."

Therefore, in the preparation of the committee's report, I suggested that there be included a recommendation that military-assistance funds be henceforth included in the Defense Department's annual appropriation bill. The



committee adopted this idea. Although the language in the report is not as strong as I would like it, I believe it is a step in the right direction.

It is never too difficult, Mr. Chairman, to criticize a large-scale operation such as is involved in the mutual security program. There are instances of over-programming, inefficient staffing, delivery lags and mistakes in planning and judgment. Some projects have not only failed to add to the strength of our friends but may have even weakened them.

Yet, we can point with equal emphasis to the program's accomplishments. There is little doubt that the Marshall plan—the forerunner of the mutual security program—put Europe back on its feet and created in those Western nations a will to resist Communist advances. Turkey is a stronger ally as a result of our aid. So is Spain. The strongest non-Communist military force in Asia is the battle-tested Korean Army. Without the aid of our mutual security program, Korea could not have withstood Communist pressures. Formosa has been able to remain as the visible symbol of free China only because of the mutual security program. This is also true in other areas.

The program is not all black or white, not all pluses or minuses. It is necessary to balance the failures against the successes in order to arrive at a reasonable assessment of the program's worth. Using that test, Congress has reached the conclusion each year that the mutual security program is in our national interest and has continued it.

The recent shift in Soviet tactics has emphasized to us all the immediate need for a comprehensive review of the entire mutual security program by the Executive. Pending such a review, it would, in my opinion, be extremely unwise at this critical stage to abandon the program.

The possibility of executive review does not lessen, however, the responsibility of the Congress and, in the first instance, of the committee, to seek a full justification of the authorization request that has been made by the executive branch of our Government. This should not be a pro forma exercise but a full inquiry into the program's past performances as well as future plans.

The Committee on Foreign Affairs has made every effort to measure up to their responsibility. For a period of more than 8 weeks we carefully examined the requests of the Executive. During the period of time, we received testimony from representatives of every branch of the Government connected with the administration of this program. At the close of the hearings, the committee voted to authorize an appropriation for the mutual security program of \$3,563,475,000 for the next fiscal year, a decrease of \$1,109,000,000 from the Executive request. Of this amount, \$109 million was cut from the economic assistance program and the remaining billion dollars from the military. These reductions were adopted by a bipartisan committee vote.

Protests against these cuts in our mutual-security program have been made by the Executive, as well as by Members of Congress, since the committee's action. Statements have been issued that the program will be seriously impaired or even wrecked unless funds are restored. It is interesting to note, however, that in the 7-year period between 1950 and 1956, inclusive, Congress has reduced the requests of the executive branch of the Government for the mutual-security program anywhere from \$600 million to \$1.9 billion each year.

Each time these reductions have been made, protests similar to those now being voiced have been heard. Yet the program has continued to operate and, at the end of the present fiscal year, it is estimated that the program's unexpended balance will be approximately \$6.6 billion. That amount is sufficient to continue the mutual-security program without any further appropriation for nearly 2 years.

These indisputable facts have conveyed to many the impression that on occasion more funds are requested than are necessary or that can be spent. This impression was strengthened when the Comptroller General of the United States, Mr. Joseph Campbell, testified recently before the Senate Committee on Foreign Relations. He accused the International Cooperation Administration, which handles nonmilitary aid, of "over-programming" and said it frequently has asked Congress for more money than it could spend in the subsequent fiscal year. He was equally critical of the Defense Department's handling of funds allocated for military aid, as is evidenced by his following remarks:

The program for furnishing military support to designated foreign countries is based on a projection of troop strength which such countries have agreed to supply. In many instances this commitment by the foreign country is not met, requiring the reprogramming of items to be furnished within fund authorizations already approved by the Congress. The planned force goals for the several countries are contained in various State Department documents. Estimates as to when the countries will bring the desired units into being have been overoptimistic.

In addition to the problem of reprogramming, the failure on the part of the countries to meet their strength commitments also resulted in the creation of excesses in certain of these countries. These excesses are both of an actual nature where inventories are available for distribution subject to the willingness on the part of the country to permit its return or redistribution to other countries, as well as "paper" excesses which represent items in the hands of troops which have been diverted for use in specific conflicts.

In another portion of his testimony, Mr. Campbell made this point:

At least \$400 million of military-assistance appropriations, representing unpaid obligations overstated at June 30, 1954, has been retained by the Department of Defense in violation of the provisions of the Mutual Security Act of 1954.

Notwithstanding this information, other important factors indicated a substantial reduction in the military was justified. Almost \$5.6 billion of unexpended military funds is now in the so-

called pipeline. Of this amount, more than \$3.6 billion is earmarked for European programs. Most of these programs were worked out when German rearmament was scheduled to follow a more accelerated pace, before France moved a large part of her forces to North Africa, and before several NATO countries indicated contemplated reductions in their military budgets.

These facts, coupled with the knowledge that the equipment to be supplied by the European pipeline funds can be transferred to other areas, were sufficient to convince me and other members of the Committee on Foreign Affairs that a reduction in military funds could be made without injuring the program.

Accordingly, I initiated the amendment to cut that portion of the bill by \$750 million. This amendment was further amended and the military part of the bill was reduced by \$1 billion. The committee also removed the delivery ceilings on military equipment for the four principal geographic regions. Together with provisions in the law giving the President authority to transfer limited amounts from one title or function to another, the funds recommended by the committee should be ample to carry forward programs which must be reexamined constantly in the light of new attitudes and capabilities on the part of our allies.

Of the \$1,925,000,000 remaining in the bill for military assistance, \$374,300,000 is intended for direct forces support. This is a term that covers soft goods for friendly military forces, items such as food, uniforms, and other consumables. Even though it is carried under military assistance, it is a form of economic aid. By deducting this sum from the \$1,925,000,000, military assistance in the form of military equipment and training is \$1,550,700,000.

The balance of the \$3,563,475,000, or \$2,012,775,000, is nonmilitary money. The programs for which this money is authorized are designed to keep the resources of the free world from falling under Communist control and to strengthen the ties of cooperation with the economically underdeveloped nations of the world.

Among those classified as nonmilitary are the technical-assistance programs. These programs, modest in amounts, are designed to improve the economic basis of the underdeveloped countries. Through demonstrations of techniques in agriculture, health, education, and other basic fields, technical-assistance programs bring to these countries some of the skills that have marked the development of our own country.

In developing technical assistance programs the mistake has been made in some countries of encouraging and assisting an expansion of agricultural output beyond the requirements of the country itself. This has resulted in the production of surplus commodities in foreign countries that are now in direct competition on the world market with our own surplus products.

I called this matter to the attention of Mr. John B. Hollister, Director of the



International Cooperation Administration, when he appeared before the Committee on Foreign Affairs. Mr. Hollister assured the committee that he was "fully alive to the fact that we ought not to be spending directly to weaken or decrease the possibility of our distributing to the world market our agricultural surpluses." He assured the committee further that—

In certain countries where their chief product is one of those commodities of which we have surpluses, we are attempting to divert some of the acreage into other agricultural crops which are needed for a more balanced diet.

The members, particularly from agricultural districts, will, I believe, be interested in Mr. Hollister's full statement on this subject. I therefore quote from the hearings:

Mr. SELDEN. Mr. Chairman. Mr. Hollister, are we continuing under this new program to give technical assistance to any nations who have now expanded their agricultural crops beyond their own requirements?

Mr. HOLLISTER. That is a very big question. We are doing our best to see that the technical assistance and the development assistance we give does not directly affect the ability of countries to export the things that our country has in surplus, or decrease the amount of imports that those countries would have with respect to those agricultural commodities of which we have surpluses.

It is obvious that if we have an agricultural training force some place in this country, or our experts go abroad with general agricultural measures and fertilizer, it cannot help but affect all kinds of production.

But we are fully alive to the fact that we ought not to be spending directly to weaken or decrease the possibility of our distributing to the world market our agricultural surpluses. That is the thing you are interested in?

Mr. SELDEN. Yes.

Mr. HOLLISTER. Any work that is done around the world to raise the standard of living of a country disturbs to some extent the equilibrium of the world market. But we do our best to see that we do not directly contribute to that situation.

Mr. SELDEN. I would like for just a moment to call your attention to the following paragraph on this particular subject that was included in the report of this committee's study mission to Europe:

"An aspect of United States policy which, in the judgment of the study mission, should be carefully reexamined and reconsidered is our policy of giving technical assistance and other aid to nations to help them continue to expand their production of agricultural crops beyond their own requirements. In Greece (a comparable situation exists in Turkey for wheat and certain other crops) the production of cotton for export is being assisted even though such cotton competes with United States cotton in the markets of the world. We cannot object to any nation producing and selling cotton or other goods on a competitive basis, provided we do not subsidize this production. The situation is entirely different, however, when we spend our own funds in a manner which aggravates one of our most difficult problems and adds to the financial burden of our taxpayers."

This is very important for those of us who live in agricultural regions where we have surplus agricultural commodities.

Mr. HOLLISTER. We are fully alive to that. I would like to give you a copy of the memorandum which has been sent out to all of our people on this subject, because it is something that we have been watching pretty closely.

I want to add that we have even tried to work the other way. In certain countries

where their chief product is one of those commodities of which we have surpluses, we are attempting to divert some of the acreage into other agricultural crops which are needed for a more balanced diet. It is not easy, but we are trying that out.

Development assistance is a relatively small part of this bill. Its purpose is to promote economic development or to deal with other problems whose solution is necessary to create or maintain economic and political stability. It is limited principally to countries which do not receive military assistance. Under this part of the program the United States has given assistance to a wide range of projects such as road building, irrigation systems, and the construction of industrial plants. Hitherto development assistance has been made available to other countries on either a grant or loan basis.

The bill before the House continues this program but changes the rules. Development assistance under the terms of this legislation is entirely in the form of loans except when funds are used to finance the sale of surplus agricultural commodities. Grant assistance is limited to regional projects, i. e., projects involving two or more nations. Not more than 25 percent of development assistance may be used to assist any one nation. We have added a further condition—a nation to receive development assistance loans must enter into a written agreement permitting participation by private enterprise in conformance with the provisions in the Mutual Security Act dealing with the encouragement of free enterprise and private participation.

The amount authorized for development assistance represents a merger of the funds recommended by the administration for that purpose together with the money for the Asian economic fund and the Middle East Fund. The sum of \$243 million that is authorized in the bill constitutes a reduction of \$100 million in the Executive request.

According to information submitted to the committee, not more than 10 million of the \$100 million in the present Asian fund will be obligated by the end of this fiscal year. Section 201 (a) continues the availability of the unobligated amount of that fund. Thus, to the \$243 million in this bill can be added \$90 million of unobligated money in the present Asian fund. Also, the course of events in the Middle East makes the planned use of money requested for the Middle East Fund most unlikely. Moreover, in section 6 (f) of this bill we are continuing an authorization of \$45.3 million already appropriated for the relief, rehabilitation, and resettlement of the Palestine refugees. That is the No. 1 problem in that area. Other projects will depend upon the solution of that problem before they can be initiated. Finally, should there be opportunities to move forward quickly with projects, the President can always draw upon the special funds voted to him under section 401 of the Mutual Security Act. In view of the availability of these other funds, I offered the amendment that made possible the \$100 million reduction. This amendment received strong biparti-

san support in the Committee on Foreign Affairs.

In my opinion, Mr. Chairman, the mutual security bill, as reported to the House, has been greatly improved by the actions of the Committee on Foreign Affairs. However, there are other improvements that I feel should be considered. These are set out in the supplemental views that were prepared and signed by me and the gentleman from Michigan [Mr. BENTLEY].

In the supplemental views published more than a week ago we stated, among other things, that:

We are also opposed to the inclusion of certain so-called neutralist countries such as Yugoslavia and India. In the first instance, Yugoslavia, a Communist country, has been drawing closer and closer to the Soviet orbit since the death of Stalin. We are opposed to aid to any Communist dictator as a matter of principle and we do not feel that the United States has any assurance that Tito would be on our side or would even remain neutral in the event of another war.

India, although only receiving economic assistance, also appears to be swinging more and more into line with Communist thinking. On almost all issues of foreign policy, she follows the Soviet and Chinese Communist line quite closely. Although the United States has given or loaned to India since 1950 nearly \$600 million, the United States has not achieved gratitude, friendship, cooperation or even genuine neutrality. We feel that our foreign policy, of which foreign aid is an arm, has failed in this instance.

The real danger in continuing to help such countries as India and Yugoslavia is the attraction which the United States places on neutralism, even of a technical variety. If the United States desires to win and to hold allies, it should not make it so advantageous or profitable for a country to be neutral. There is a very definite trend toward neutrality in the world today and this country appears to do nothing to discourage it.

The events of the last few days, highlighted by Tito's statements that has been made during his visit to Moscow, only strengthen my views on further aid to Yugoslavia. The amendments that will be offered to reduce or eliminate funds to these nations deserve the serious consideration of this House. Other proposals that are offered in an effort to improve rather than wreck this legislation should also be carefully considered.

The very fact that the administration has proposed an overall study of foreign aid is compelling evidence that we should move with caution in voting increased sums for the program. This proposal in itself suggests to me that the administration is uncertain, not about the need for a mutual security program, but the emphasis that should be given to the various parts of it. If an emergency arose within the next few months, it would necessarily have to be met from money previously appropriated. Should there not be an emergency, the funds in this bill are ample to keep the program moving steadily, at least until it can be carefully reexamined.

The Committee on Foreign Affairs, after 2 months of careful review, has presented a mutual security bill they feel is in the best interests of this Na-



tion. I trust the Congress will uphold the committee's action.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. MERROW].

(Mr. MERROW asked and was given permission to revise and extend his remarks.)

Mr. MERROW. Mr. Chairman, I support H. R. 11356, the Mutual Security Act of 1956, as an expression of United States leadership in world affairs, which gives the executive branch the essential tools required by it in order to carry out our foreign policy.

The mutual-security program has given the United States and the free world positive advantages and accomplishments which must be continued and even increased. I regret that the committee saw fit to cut \$1 billion out of the military assistance funds which President Eisenhower requested to fulfill the military aspects of our mutual security responsibilities around the world. I hope that in its wisdom Congress will restore this amount and thus give the President the congressional backing which is so essential to our position of leadership in a world beset by critical problems.

The other aspects of the mutual-security program are equally as important as the military. This is particularly so in view of the fact that the Soviet Union has recently adopted new tactics in the economic arena, while retaining its fundamental philosophy and objectives of world domination. It was my privilege to serve, with my colleague on the Committee on Foreign Affairs, the Honorable Brooks Hays, on the United States delegation to the 10th General Assembly of the United Nations which met from September 20 to December 20, 1955. In that capacity I had occasion to view at first hand and observe closely the actions and deliberations of the Soviet delegation. The tone of voice has become somewhat less harsh, but it was clear to all of us that they remain dedicated to the destruction of the free world through subversion, propaganda and discrediting of our foreign policies and programs. Cognizant of the success which the mutual-security program has achieved, they are now concentrating their efforts in the same nonmilitary fields as our own. This made a tremendous impression on the United States delegation to the United Nations and compelled them to send the following communication to the Secretary of State:

Impelled by a unanimous feeling that economic and social questions are assuming increasing importance on the international scene, the United States delegation to the 10th General Assembly has joined in framing this statement.

The present period in history may one day be recognized as a major turning point in the struggle between communism and freedom. It appears to be clearly a shift in the cold war, in which economic and social problems have moved to the forefront.

Members of the United States delegation during this General Assembly session have observed the effectiveness of Soviet tactics under these new conditions. This can be seen both in the way the Soviet bloc delegates work in various United Nations meetings, and also in the voting that occurs in many committees. As we observed maneu-

vers, we were conscious that the Soviet Union, elsewhere in the world, was using economic and social collaboration as a means for jumping military as well as political barriers. Examples of this can be found in India, Egypt, and Burma.

We believe that the United States must counter these Soviet efforts. We can succeed, not by outbidding communism in sheer amounts of economic aid, but by making newly independent and newly articulate peoples feel that they can best satisfy their wants by becoming and remaining part of the community of free nations.

We welcome more emphasis on economic and educational endeavors, for we have a proven experience in these fields.

We are in a contest in the field of economic development of underdeveloped countries which is bitterly competitive. Defeat in this contest would be as disastrous as defeat in an armament race.

We could lose this economic contest unless the country as a whole wakes up to all its implications.

The Secretary of State, at the express wish as President Eisenhower, made the statement public on January 11, 1956.

As we consider the Mutual Security Act proposed for 1956, it is essential that we crystallize the economic leadership of the United States as we encounter the new tactics of the Soviet Union. I am of the firm conviction that United States participation in the United Nations and its specialized agencies, always increasing in effectiveness, is one of the major means whereby we can meet effectively the new Soviet challenge. In referring to the United Nations, President Eisenhower said in his message to Congress of this year:

In the pursuit of our national purposes, we have been steadfast in our support of the United Nations, now entering its second decade with a wider membership and ever-increasing influence and usefulness.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I prefer to finish my statement before yielding, if the gentleman please.

Many years ago I began advocating the formation of an international organization to preserve the peace. Prior to the inception of the United Nations I said in many speeches throughout my State and other parts of the country that man must develop an international organization to help in preserving the peace. In response to the new order of affairs produced by the nuclear era, men in the field of political activity have developed the United Nations and its specialized agencies. As a supporter of this system, the United States has a unique opportunity for exercising leadership in this troubled world.

The United Nations has completed its first 10 years. This is an exceedingly short span in any political institution. The United Nations has grown and developed during the past 10 years and has a long array of worthwhile accomplishments to its credit. I can testify to the fact that during the Tenth General Assembly great progress was made by the United Nations including: the admission of 12 new member states; the endorsement of President Eisenhower's open-sky proposal for the exchange of military blueprints and mutual aerial in-

spection; the adoption of a method for charter review; and the adoption of a method which will establish an international atomic energy agency which was urged by the President of the United States before the General Assembly of the United Nations.

Mr. GROSS. Mr. Chairman, will the gentleman yield at that point?

Mr. MERROW. In a moment, please.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and two Members are present, a quorum.

The gentleman from New Hampshire will proceed.

Mr. MERROW. Mr. Chairman, as recently as April 18, 12 nations completed a 2 months' drafting conference on the atoms-for-peace agency. Next September there will be a conference at the United Nations headquarters for the ratification of the charter by all the member countries of the United Nations. Thus the United Nations has made another great accomplishment at the suggestion of the President of the United States. As evidence of the success of United States leadership in the United Nations, under the able statesmanship of Ambassador Lodge and his predecessor, Senator Austin, the United States has never suffered a reverse on an issue of major importance. With the passing of each day, the United Nations grows in influence and effectiveness. The United States can be proud that she has played such an important part in this international organization.

The big four specialized agencies of the United Nations are the Food and Agriculture Organization with headquarters in Rome, the International Labor Organization and World Health Organization in Geneva, and the United Nations Educational Scientific and Cultural Organization in Paris. These agencies are combating hunger, poverty, disease and illiteracy. What an opportunity for leadership. Half the world is undernourished. Over half the world is illiterate. Poverty stalks the earth in many places. Millions are racked with disease. Certainly we have a moral obligation to give assistance within our capabilities and to provide leadership in fighting these scourges. Communism thrives on discontent and on human misery. To the extent that the impact of these scourges is mitigated, to that extent will we be successful in helping to stem the tide of communism.

We can well be proud of the United Nations and the role the United States has played in establishing this organization. We can justly be proud of the leadership which the United States is giving in its participation in the United Nations and that the General Assembly is backing the President in his suggestions on the peaceful uses of atomic energy.

The United Nations programs contained in this bill are small when considered from the point of view of authorizations involved: \$2.3 million for the United States contribution to the United Nations Refugee Fund; \$10 million for



the United Nations Children's Fund; an authorization of the carryover of the unobligated balance of \$45.3 million for the United Nations Relief and Work Agency for Palestine Refugees in the Near East, and an increase in the United States contribution to the Food and Agriculture Organization from \$2 million to \$3 million. These are programs which bring much good will and understanding of United States efforts in areas where such understanding is very much needed. These are "grass roots" programs which permeate to the people involved. These United Nations programs give strength and meaning to the whole mutual-security program. They prove conclusively that the United States is ready, able and willing to cooperate with all other nations of good will in helping to solve the difficult problems which face the millions upon millions of people in the world. As we stated in our report:

This is an area in which our leadership can be very effective and very potent, for the United Nations itself deals with political issues and is a great forum for developing world opinion, and the specialized agencies are fighting hunger, disease, illiteracy, and poverty. When we consider the fact that the total United States per capita cost for calendar year 1955 of the United Nations, the specialized agencies and the voluntary programs was 40 cents, it is obvious that the cost is not exorbitant. What a tremendous opportunity for our Republic, the leader of the free world, to make an historic contribution to this worldwide struggle to insure the continuation of free civilization and its expansion for the millions of peoples in the world who are now struggling to attain their freedom and security. Never has a nation had a greater opportunity to make its influence and power felt for the well-being and happiness of all mankind.

We are engaged in a great international effort to spare our children from the holocaust of a battlefield in a nuclear era with the utter devastation that such a battle would bring. That effort requires the cooperation not only of nations with one another but of individuals themselves who make up the nations. To us the support by the United States of the United Nations and its specialized agencies constitutes a great crusade for peace and freedom. Only by viewing the United Nations system in that light can we understand its implications for the future of the world. (H. Rept. 1980, 84th Cong., pp. 30, 31.)

At a time when there is talk of a reappraisal and the possibility of establishing a commission to study mutual security, I hope that whatever study is made will consider the ways and means whereby United States leadership in the United Nations and its specialized agencies can be made even more effective. As our participation increases in effectiveness, so our mutual security will increase. In the long run, I believe such effective participation and full support will make possible a diminishing demand on our own resources.

I hope this bill will receive the overwhelming support it deserves.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. McVey].

Mr. McVEY. Mr. Chairman, we have before us for consideration today the Mutual Security Act of 1956, which, in more understandable terms to the public, means our foreign-aid spending

program. This bill authorizes an appropriation of \$3,563,475,000 to carry forward the mutual-security program. The amount of aid extended to foreign countries since the inception of this program has reached staggering proportions. It seems appropriate that we re-examine our commitments thus far and attempt to arrive at the correct position in regard to a continuance of these expenditures.

The aid which this Government has extended to all countries and international organizations for the period covering World War II and the postwar period ending June 30, 1955 amounts to \$108,847,779,000. This total does not include United States capital investments in the International Bank for Reconstruction and Development—\$635 million—and the International Monetary Fund—\$2,750 million.

#### Summary of aid

Lend-lease, July 1, 1940, to June 30, 1955.....	\$48,767,777,000
Grants-in-aid, July 1, 1940 to June 30, 1955.....	43,459,158,000
Net loans, July 1, 1940 to June 30, 1955.....	16,620,844,000

Summary total..... 108,847,779,000

The foreign aid program began with the lend-lease shipments on July 1, 1940. In the postwar years, one appropriation after another has followed in rapid succession until our foreign-aid spending program, together with the taxes that are paid for carrying it, amounts almost to one-half of our Federal debt.

The extension of these huge sums during World War II in foreign aid is understandable. We were engaged in all-out war, and we felt the need of winning it at any cost. But let us look at the aid extended since the close of the war. Between July 1, 1945, and June 30, 1955, the United States disbursed gross foreign aid in the amount of \$60,719,482,000. It is difficult for the average individual to understand the impact upon our economy of such huge sums. If we were to spread this postwar cost over the householders of the Nation, it would be found this program will cost every householder of the Nation \$1,277.

When one is trying to reach a decision relative to his vote on the mutual security aid legislation, he is faced with many cross currents of opinion. Just about everyone feels there are nations in the world which deserve our assistance. This program, however, is just about all-inclusive. We have extended help to many nations which are in better financial position than we are. Not only that—we have extended help to nations which have never aided us in a military conflict and which have profited from our own involvement. Examples in this category are Brazil, which has received \$381,686,000, and Sweden, \$116,220,000.

An analysis of our foreign-aid spending program reveals that through our lend-lease program from July 1, 1940, to June 30, 1945, 62 nations and territories were assisted by this program. In the years that followed, July 1, 1945, to July 30, 1955, 24 nations participated in our lend-lease program. The grants-in-aid during this postwar period reached a total of 88 nations and territories.

It should be noted that not all of these nations are friendly. The following countries which are certainly not allies have benefited by our mutual security program:

China.....	\$2,861,376,000
Czechoslovakia.....	1,211,837,000
Yugoslavia.....	750,730,000
Russia.....	11,241,614,000

Most of the aid received by Yugoslavia has been extended during recent years while that country has been under a Communist dictatorship. The aid extended to Yugoslavia amounts to more than \$44 for every man, woman, and child in that country.

There is a general impression that the corporations and the rich pay the bulk of these expenditures. This, however, is not the case. The President in his budget for 1957 reveals that more than one-half of the taxes collected by the Federal Government are derived from individual income taxes.

It should be remembered, too, that a considerable sum is collected in hidden taxes. Taxes upon about every purchase made: theater tickets, transportation, purses, jewelry, alarm clocks, hand lotions, and many other articles. Telephone companies have calculated that taxes on each telephone installed in the home amount to more than \$3 per telephone. Yes, we meet these taxes at every turn, and it is time the working men and women become conscious of the inroads of taxes upon their economy.

No one would challenge for one moment the motives behind this giveaway program. The nations of Europe had been devastated by the ravages of war. Their industrial potential had been largely destroyed. In the rebuilding process, our aid was badly needed. However, this program began, 1948, supposedly, for a 5-year period, but it has continued in force until the present day—notwithstanding the fact that many of the original recipients of aid have been balancing their budgets and reducing taxes. This situation has occurred in recent years when our own budget was running a deficit.

In the light of facts here presented, it seems that, in addition to our efforts to make our Nation secure, we must make certain that we keep our economy strong and our currency sound. Would it not be better to think more of the homefront for awhile and take a vacation from foreign aid grants? We may be surprised how well other nations can get along without us.

H. R. 11356 is an omnibus measure. No one knows where all of this money will eventually be spent. The time has come when I feel we must begin to think of safeguarding our economy in this country in order that we may continue strong economically as well as militarily. It is most difficult to support a program of this nature, although there are certain countries of the world one would like to assist. In view of the fact that there is a considerable backlog of spending already available for the Mutual Security Agency, it is my belief that this bill should not receive the favorable support of the Congress.



Mr. RICHARDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, I believe it is appropriate during the debate on this foreign aid bill to briefly discuss a subject of far-reaching importance to this country and to the free world. I refer to what is being done, and what is not being done, by the West in the encouragement of students to attend college and receive other training on this side of the Iron and Bamboo Curtains.

At this time an alarmingly large number of young people are flocking behind those curtains to take advantage of educational opportunities offered inside Red China and elsewhere. I am thinking now of the area located in southeastern Asia—a most vital and crucial spot in the whole world picture today.

I am informed that some 7,000 overseas Chinese students went behind the curtain in 1954. Of this number, two-thirds were in regular courses and one-third of them took makeup courses—an introduction to and the learning of spoken Chinese.

In the fall of 1955 the number increased to 10,000 of the overseas Chinese. I am informed by the State Department that comparatively few of that number included Malayan, Burmese, Indochinese, and so forth.

It is also reported that comparatively few of those students who go in ever return to the free world. Most of them, once they finish their technical courses and graduate go right into Chinese industry in China.

It is interesting to note that only 700 to 1,200 of the overseas Chinese in that area go to Taipei. Most of those who do go to Formosa for their training are from Hong Kong and the Macao area.

Now, I am not raising this question for the purpose of offering a remedy. I do think it is somewhat alarming and should be considered when methods and techniques are sought whereby we can cope more advantageously with the Communists in this battle over human minds. These college and technical students are all potential leaders of the future.

I have talked and corresponded with Dean Knowles A. Ryerson, of the University of California, about this problem. He is well informed on conditions in the area and he is very much alarmed. He thinks that if we spent more money on school facilities for the students I am speaking of, the investment would pay a much bigger dividend over the long run than other expenditures we are making in this foreign aid bill.

Dean Ryerson points out that there is a shortage of facilities of this type in Taiwan. Also, existing institutions in Malaya, Hong Kong, Manila, and Bangkok, can be expended to attract more of these students. It is not known what can be done in Manila, but the College of Agriculture at Los Banos had quite a reputation as an international center for southeast Asia before the war.

This same authority—Mr. Ryerson—for whose judgment I have high regard, speaks of the tremendous importance of

building up centers for native leadership.

Comparatively small amounts of money go a long way in construction of facilities in many of these places. For example, in Taiwan, where costs are presently going up, a dormitory to house 485 students, which cost \$70,000 2 years ago, is now estimated to cost \$120,000. A dormitory to house a similar number in this country would cost well over \$1 million I am informed.

I am not prepared to say just what we should do, or what we should not do. But, again, in considering the foreign assistance program, it does seem to me more attention should be given to this phase of the problem, as viewed from the standpoint of the West.

Dean Ryerson reminds that there are large numbers of American-trained Chinese from our best institutions that are already at the University of Taiwan or in other activities there, who could teach. Would it be to our interest to spend a little more money in the expansion of the university facilities in the National Taiwan University and in the provincial colleges such as Engineering, with which Purdue already has a technical aid contract? And the Teachers College at Taipei, where the Pennsylvania State University has a small contract with the thought of supplying a small staff?

It is only natural that the Free Chinese are very anxious to provide facilities for "overseas Chinese." Since the proposed university at Singapore under the direction of Dr. Lin Yutang was definitely thwarted through Communist activities, there is more reason than ever, it seems to me, why it is important to provide opportunities for these students elsewhere, and thereby save them from the fate of gravitating behind the Bamboo Curtain. I am not saying that we should underwrite that sort of thing, but I am saying some solution should be found for it.

In any countries that have counterpart funds, it may be that at least a portion of the costs of expanding educational facilities can be met from that source. If buildings and facilities, and then scholarships, can be provided, there is no doubt but that a substantial number of students can be induced to take advantage of such opportunities—students now going to Peking for their training.

I have heard it said that strong efforts are being made now to entice Chinese university people away from Taiwan and back on the mainland because the shortage of such people is so great inside Red China.

Moreover, I understand that in Saigon there is a wide-open field for development of schools and technical training centers.

Obviously, the matter of providing schools and educational facilities is essentially a local responsibility. We have our hands full here at home with overcrowded schoolrooms and other shortages. But so long as we are spending billions overseas to help secure the free world from the ravages of communism, and in that way to add strength and stability to the people who believe in freedom, let us consider this phase of the problem in the proper perspective.

We are reminded that under the United Nations technical assistance program the Soviet Union is setting up a technical school in Bombay for technical training of Indians. And, earlier this year, following the visit of the Russian officials to India and Burma, the Soviet Union made a gift to Burma of a large building, technical equipment and a technical staff for training the Burmese. News reports at that time referred to similar offers made to Afghanistan.

Again, I am not here criticizing anyone. I am simply raising some questions that occurred to me in looking at this entire picture of foreign aid, and the purposes for which this money is being expended.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. JUDD].

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. GORDON. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. HARDY].

(Mr. HARDY asked and was given permission to revise and extend his remarks.)

Mr. HARDY. Mr. Chairman, I have asked for this time to bring to the attention of my colleagues a problem which goes to the very heart of congressional consideration of the mutual-security legislation which we have before us today. It is a problem which I believe requires not only serious consideration, but also positive action in the form of an amendment to this legislation.

This bill authorizes the expenditure of nearly \$4 billion for the mutual-security program for the coming fiscal year. This is a huge sum of money from any standpoint. However, not alone the huge sum of money involved, but larger questions of the role of the various programs covered under this bill in furthering our national security place grave responsibilities on each of us as we conduct this debate and as we ultimately cast our votes.

How well we fulfill our responsibilities will depend in large measure on how well we are informed about the purposes of this bill, the activities to be carried out under it, the results which have been obtained in the past, and the results that may be expected in the future.

Let me pose this question for you: How much do most of us really know about the foreign-aid program? We are told by the executive branch about its importance. Of that few of us can have any doubt. But we have been told by the executive branch a number of other things about this program. We have been told, according to the information presented to the Foreign Affairs Committee and published by them, of various activities undertaken in the past and of the successes which have accompanied those operations. How complete and accurate is that information? Is it in sufficient detail to give each of us, or even the members of the Foreign Affairs Committee, a reliable picture of what has been done in the immediate past? I have reason to think not. As chairman of the International Operations Subcommittee of the House Government Opera-



tions Committee, I, with my colleagues on that committee, have had occasion to examine some of these programs in detail. We have found a number of instances in which the information supplied to the Congress and to the House Foreign Affairs Committee is far from the full picture which Congress needs to make informed judgment about these programs. Let me cite you an instance:

We studied the conduct of our technical-assistance programs in Latin America last year, and we issued a detailed report on March 29 last. On April 13 of this year representatives of the Department of State and of the International Cooperation Administration appeared before the Foreign Affairs Committee and reported on their work in Latin America in technical assistance. They reported to the committee that there were in operation 56 joint bureaus, known as *servicios*, in Latin America, and that 19 of these bureaus had been terminated since the program began down there in 1942. The termination of these bureaus is one measure of the completion of some of the programs carried on in technical assistance. These figures were submitted to the Foreign Affairs Committee, and they were accepted by the committee and appear in their report—on page 21, House Report No. 2213. But the report omits reference to certain details which, in my opinion, are very important and significant. Did the committee ever find out whether some of these supposedly successful programs were terminated because they failed? Did the committee ever learn that nearly half of those reported as terminated have been reactivated so that the figures are meaningless? There is nothing in either the record or the committee report which indicates that the executive branch made this clear.

Let me mention another point: The same presentation—hearings, page 298—and the same report—page 21—mention the number of projects undertaken—something more than 3,000—and refer to 1,853 completed and transferred to the host government. It does not indicate that some of these are not completed projects at all, but are merely book-keeping transfers, and a number of others represent actual counting of projects which were closed out almost before they began.

Even the record of host-country cash contributions does not indicate that the computation was made at inflated exchange rates, which tend to exaggerate the contributions of the host countries. Let me show you how this works out. The committee's report on page 21 mentions that Latin American host-country contributions in the form of cash were about \$21.8 million. But the report does not state that these figures are based on assigning International Monetary Fund par value to the host-country currencies. If you return to page 330 of the hearings on the subject, you will see an interesting table. It shows that the free rate of Bolivia's currency is 4,600 bolivianos to the dollar. Yet Bolivia's contribution is computed at 190 to the dollar. Brazil's cruzeiro is rated at 18½ to the dollar, while its free rate is actually 70.5. Similarly, Chilean currency is valued at

110 to the dollar, while its free rate is 487. The most favorable of these works out to about one-fourth of the value imputed to them. If this average holds, Latin American contributions are more nearly \$5 million than \$22 million.

Even when the very capable members of our Foreign Affairs Committee ask for supporting information for some of the statements made by executive branch witnesses, they do not get much that is truly helpful. I point to the effort of Mr. VORVYs to find out in detail what we were spending \$45 million on in connection with budgetary assistance to Iran in fiscal year 1954. The executive branch witnesses promised the committee an answer. What did the committee get? It got a document which said \$10 million was used to help Iranian imports, \$10 million was provided to temporarily support Iranian currency, \$14.5 million was made available to Iranian importers, and the rest of the information was no more detailed than this. Each of these items needs much more detail.

The \$10 million which was provided to support Iranian currency was an unusual transaction. The Iranians needed to issue local currency, but under their law they could do so only if they had an equivalent amount of foreign exchange in their vaults. The \$10 million we granted was used to supply that backing. It was, however, a temporary device, and the note issue was retired in a matter of months as their financial situation improved. Nowhere have I been able to find that the Congress has been informed as to what was eventually done with that \$10 million when it was no longer needed to back the Iranian currency. The evidence is that it went into the general program, but we still cannot tell what it was spent for.

Can we in the Congress make informed judgments with no more than this kind of information before us? Can even our distinguished Foreign Affairs Committee do much more than report to us the same general statements that have been given to them? I think the answer in very large measure is "no."

Why does this kind of vague and misleading information so consistently make up the record upon which we must base our judgments? I think a very real answer to it lies in the nature of mutual-security legislation and the customs which have grown up in connection with it over the years. These, I suggest, make it incumbent upon us to take corrective action in amending this law in certain respects.

I think it is generally conceded that in the interest of flexibility in the execution of mutual-security programs the Congress has relaxed many of its traditional controls. It has written broad authorizations into the legislation. It has granted a number of exceptions to time-tested controls by making it easier for the executive branch to transfer funds from one appropriation to another or from one purpose or area to another. It has, in effect, delegated to the executive branch much of its own discretionary power over the expenditure of funds. It has done so because it has recognized the need for the executive branch to be in a position to take prompt

action to meet rapidly changing situations. It has accepted the statements of the executive that in many cases programs could not be carefully and completely prepared and presented to the Congress in advance. Thus, it is that in recent years we in the Congress have regularly appropriated money for mutual-security purposes based on illustrative programs. These, as we all know, make no pretense of being firm programs, but are instead statements of intent on the part of the executive branch, illustrating what it hopes to do with the money Congress gives it.

Let me make it clear that I am not at this point questioning the need for either flexibility in the legislation or the use of the illustrative program technique. I merely want to emphasize the fact that our foreign aid legislation has this unique character. And it has this unique character because the Congress has accepted the argument that the executive branch needs this latitude in order to perform its tasks under this program.

The granting by the Congress of this kind of power; indeed, the fact that it represents a delegation by the Congress of some of its own discretionary prerogatives; carries with it obvious implications. Certainly, under the circumstances Congress has a special right to know in detail just how such powers and prerogatives have been exercised and to have made available to it appropriate documents, papers, communications, and other records which, taken together, give an accounting of the stewardship exercised over programs so conducted. It is to insure that such documents, papers, communications, and other records are made available that I shall offer an amendment to the bill. In the course of experience of our committee, this amendment appears to be necessary because of an inclination on the part of the executive agencies involved in the nonmilitary assistance aspects of the mutual-security program to withhold information concerning the details of operations they have undertaken. My amendment reads as follows:

On page 13, after line 12, insert the following:

"(d) After section 514, add the following new section:

"SEC. 515. Access to records by certain legislative committees: (a) Before any funds authorized under any title of this act may be expended or obligated after the date of the enactment of this section, the President shall issue such directions to the agencies and officers involved as will ensure that all documents, papers, communications, and other records on the basis of which any action is taken or any determination is made under such title will be freely available to any committee of Congress which has the duty of studying the operation of activities under such title.

"(b) Notwithstanding any other provision of this act, the continuing availability to appropriate committees of Congress (pursuant to directions issued under subsection (a)) of all documents, papers, communications, and records relating to operations under any title of this act shall be a condition of the exercise of any authority to expend or obligate funds under such title.

"(c) The provisions of subsections (a) and (b) shall not apply in the case of funds authorized under chapter 1 or 2 of title I or unvouchered funds authorized by section



401, or in the case of actions taken or determinations made with respect to such funds."

Our committee is currently investigating the operations of United States aid activities in Iran. Although present arrangements for access to appropriate documents and records are satisfactory, we were able to work them out only with a considerable amount of effort. Moreover, we have no promise that the time consuming and somewhat difficult process involved will not have to be repeated for our next study. Since we do have, under the Legislative Reorganization Act, the duty of auditing these programs unless special recognition is given to the special circumstances created by mutual security legislation a formidable obstacle will remain in our path and in the path of the Congress in its attempt to exercise adequate control over expenditures. I do not mean by this to suggest that the application of this amendment is only to the work of our committee, but I do point out that it strikes at the very foundation of the work we must perform.

I think I should also make it clear that this amendment does not raise any question about the constitutional separation of powers. As I have mentioned earlier, the requirements of mutual-security programs have been such that Congress relinquished to the executive branch some of its constitutional powers. All that this amendment seeks to do is to assure that Congress will be frankly, fully, and accurately informed of how the executive branch has exercised the discretion which Congress has allowed it.

As Congress has recognized the special need of the executive for latitude in initiating mutual-security programs, this amendment seeks only to insure that the executive branch will likewise recognize the special needs of the Congress in reviewing such programs. Because it arises specifically in the context of our mutual-security programs, I think the amendment should form a part of this bill.

I think the amendment which is proposed and the action which is required by it will reinforce rather than weaken that constitutional separation of powers which has so long been a foundation stone of our freedom. I urge its adoption as a necessary means of assuring that the Congress can exercise its traditional powers in this very important area of our Government operations. Without this amendment we are, I am afraid, in danger of abdicating rather than delegating a fundamental power vested in this body.

Mr. GORDON. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. DODD].

(Mr. DODD asked and was given permission to revise and extend his remarks.)

Mr. DODD. Mr. Chairman, I wish to compliment the chairman of the Committee on Foreign Affairs, the distinguished member from South Carolina, Mr. JAMES P. RICHARDS, for his diligence, his remarkable patience, and his great ability.

It has been a privilege to serve on the Foreign Affairs Committee under his leadership, and I regret very much that he has announced his retirement from Congress. He is a kind gentleman.

By disposition he is moderate and fair; by intellectual standards capable and perceptive, and when these qualities are joined with accrued knowledge based on long experience, we have all the attributes of a great legislator.

The bill which we have under consideration today is his more than that of any other member of the committee, and I am pleased to say that I will support it on the floor of this House.

But I am frank to admit that there are policy questions and questions of operation in this legislation concerning which I should like to make my own position clear on the record.

Concerning the request made by the administration for a long-term commitment, I want the record to show that I have examined with care the testimony of the witnesses who appeared before the committee and I do not find that a good case has been made out for a long-term commitment by Congress with respect to our foreign-assistance program.

There has been some fuzzy thinking and talking about long-term planning with respect to this program. The executive department can and should do the long-term planning and Congress should not be asked for a long-term commitment which it cannot and should not make.

For the life of me, I do not understand how one session of Congress can commit successive sessions of Congress to a long-term program, and no witness who appeared before our committee gave us any real help with respect to this basic and fundamental problem.

We are living in a world in which changes take place rapidly. Tito and Yugoslavia are good examples of what can happen in a year.

Neutrals of today may be our enemies of tomorrow, and, since it is constantly suggested that one of the great needs of our times is flexibility with respect to rapidly changing world situations, it seems reasonable that the Congress could be expected as a matter of flexibility to take a careful legislative look at our foreign-aid program at least every 2 years.

And lest there be those who doubt the good faith and the word of the United States with respect to projects which may cover several years, the statement of policy on this question in the bill is assuring enough for our friends and convincing enough for our enemies.

It is worth reading as follows:

The Congress of the United States, recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the

peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States is able to provide compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

I particularly approve of that part of the committee report which suggests that the military portion of the mutual security program be placed in the Department of Defense budget next year.

A careful review of the testimony before the Committee on Foreign Affairs leads me to believe that the requested appropriation has been inflated.

Besides, the administration itself says, and I agree, that there is a great need for reevaluation and analysis of this entire foreign assistance program.

And, it is a fact that there is available some \$5 billion carried over in unexpended appropriations from former years.

Consequently, it is commonsense to say that the administration cannot spend the amount of money it has asked for in 2 years.

More importantly, it cannot even spend the accumulated balances of some \$5 billion in 2 years and under this bill, the administration has been given considerably flexibility and freedom of movement with respect to the transferability of funds from one purpose to another.

Actually, not even 2 years is involved as a new session of Congress will open in January which is a matter of only 7 months. If in January it can be demonstrated that there is a real need for additional moneys, I am confident that Congress will make such moneys available.

The Comptroller General, an administration appointee, told the Senate Foreign Relations Committee recently that overoptimistic foreign aid planning had resulted in appropriation of more moneys than could be spent.

One result, he said, is that the Defense Department is holding at least \$400 million in foreign aid funds in violation of the law. That money, Comptroller General Campbell said, should revert to the Treasury.

Finally, but most importantly, the tax burden upon the people of the United States is already burdensome and crushing, and surely there is a point of diminishing returns and of economic collapse even for the richest and most resourceful of nations.

It is my considered opinion that the Communists are hopeful that the United States will recklessly spend itself into bankruptcy.

Therefore, until the program has been reevaluated and carefully analyzed and while billions of unexpended funds are available, I consider it to be a part of patriotic good sense to hold this appropriation within reasonable limitations.

It is difficult for me to understand our failure to make a more substantial appropriation for Guatemala. The administration request for Guatemala was completely inadequate and although the



committee by its own action raised the amount of money available for Guatemala, it appears to me that the amount authorized by the committee should be increased.

Guatemala is a country located in the Western Hemisphere, and in June of 1954 it overthrew a Communist government which was a Red beachhead in Central America. As a result the Government of Guatemala is in great need of economic assistance.

Guatemala must be made exhibit A in the contest between the free world and Communist slavery.

It is the first country to actually rid itself of Communist tyranny.

In Guatemala, we of the United States have an opportunity to prove that a nation which throws off the tyranny of communism will not be deserted and moreover, that it will be given substantial aid and assistance by the United States of America.

Guatemala should be more than exhibit A in the contest between freedom and Communist slavery. It can and should be made a showpiece, for its neighbors in Central and South America, who are constantly resisting Communist enticements and Communist pressure. Guatemala is our friendly neighbor and we should help it to recover and at the proper time in the consideration of this bill, I intend to offer an amendment to increase the money available for assistance to Guatemala, and I hope that the majority of the Members of this House will support that amendment when it is offered.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Connecticut.

Mr. MORANO. I wish to associate myself with the remarks the gentleman is making with respect to Guatemala. As he knows, I offered an amendment in committee to increase the money for defense support and economic aid for Guatemala by \$5 million. I still do not think that is enough, and I intend to support the amendment that the gentleman expects to offer tomorrow to increase that amount by even more.

Mr. DODD. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DODD. I have great respect for and a feeling of friendship for my friend from Iowa and, although I have not much time left, I want to give him some of my time if I can. I hope he does not detain me too long.

Mr. GROSS. First of all, I want to commend the gentleman for discussing the provisions of this bill. He is one of the few speakers on the part of the committee who this afternoon has given particular attention to the provisions of the bill itself. On pages 8 and 9 of the bill I note this language:

In subparagraph (B) (ii), before the semicolon at the end thereof, insert "or by reason of war, revolution, or insurrection."

Does this mean that this provision of the bill will provide that American investments in foreign countries will be guaranteed against destruction or dam-

age by reason of war, revolution, or insurrection?

Mr. DODD. I believe that it does. I have not found the place, I am sorry.

Mr. GROSS. Page 9 of the bill.

Mr. DODD. I believe that it does from what I have heard the gentleman read.

Mr. GROSS. They already guarantee to provide for indemnity against expropriation, is that not true?

Mr. DODD. Yes.

Mr. GROSS. Now we want to carry in this bill indemnification for war, revolution, damages or destruction resulting from war, revolution, and insurrection. "Insurrection," I think the gentleman will agree with me, is a very, very broad term.

Mr. MORANO. Mr. Chairman, will the gentleman yield further?

Mr. DODD. I yield.

Mr. MORANO. That language is the exact language used by the President of the United States in his message to the Congress. He recommended that that language be inserted.

Mr. GROSS. I will say to the gentleman that I am not interested in the language used by the President of the United States. I am interested in what we are doing here with this bill ourselves.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Minnesota.

Mr. JUDD. That is the exact language that has already been passed by the House on three occasions but eliminated in conference at the insistence of one Member of the other body. The purpose of the proposal is to save money for the American taxpayers. We are already gambling billions of dollars on the survival of these free countries. If we can get American private capital to go in, taking along its own management, with the understanding that if there should be destruction due to war, revolution, or insurrection, the Government will reimburse them for their losses, we can cut down correspondingly the amount of taxpayers' money to be put into the countries. That is, we will need to use public funds only if things go wrong. Now we spend public funds every year, and the gentleman is opposed to that. It is a possible expenditure of taxpayers' money against a certain expenditure.

Mr. DODD. That is my understanding. I think it will encourage American private capital.

Mr. JUDD. That is right.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. DODD. Yes.

Mr. HOFFMAN of Michigan. I wonder who has the floor.

The CHAIRMAN. The gentleman from Connecticut.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Ohio.

Mr. VORYS. The gentleman should tell of his own amendment put into the private enterprise section of the bill, which helps to strengthen the bill.

Mr. DODD. I thank my friend from Ohio. It is a very simple matter. I of-

fered an amendment, which I think the committee adopted unanimously, which should make more secure the investment of American private capital because it alleviates somewhat the fear or risk of discriminatory treatment at the hands of the government of the country where the investment is made.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Connecticut.

Mr. MORANO. I wanted to say to the distinguished gentleman from Connecticut that he has been a very able member of the Committee on Foreign Affairs and while I have not always agreed with him, I do regret the fact that he is going to leave that distinguished committee.

Mr. DODD. Mr. Chairman, I thank the gentleman very much, indeed.

Mr. GROSS. Mr. Chairman, will the gentleman yield briefly?

Mr. DODD. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know of any law on the statute books of this country that provides for the indemnification of an American businessman for damage or loss sustained because of war, or insurrection, or revolution, in this country?

Mr. DODD. In this country? I think our insurance companies take care of that.

Mr. GROSS. I think it is written out in every insurance policy specifically and I believe the gentleman will agree with me.

Mr. DODD. I thank the gentleman from Iowa.

Last year when the foreign aid program was before us, I supported the committee's recommendation that assistance be continued to Yugoslavia. I did so on the basis of the calculated risk which our military experts had urged us to take. At that time, I pointed out that I had grave doubts about the position of Yugoslavia with respect to the free world.

Recently, it appears that Tito has moved toward a reconciliation with the Soviet rulers in Moscow. The doubts which I expressed last year are compounded in view of recent events. Only on the basis of self-interest and a calculated military risk was I able to go along with the recommendations for assistance for Yugoslavia in 1955. In view of recent developments, plus the fact that Yugoslavia is a truly Communist state with all of the evils of Communism including the suppression of freedom, the continued assaults on religion, and the destruction of family life, I have more than grave doubt that we should continue to appropriate funds for Yugoslavia.

The calculated risk on Yugoslavia of last year takes on the appearance of an irresponsible gamble this year.

Surely in our own interest and in the interest of the cause of freedom it is difficult to reconcile continued assistance to Yugoslavia and meager appropriations for Guatemala.

Conscience compels me to state that I am disturbed about the flagrant gap which exists in the committee report with respect to a major crisis in our foreign relations; namely the steadily



deteriorating situation in the Middle East.

Failure to express these views would be tantamount to agreeing with the evasive language contained in the report, entitled "United States Foreign Policy in the Middle East." That section of the report includes a series of quotations from the hearings and from Secretary Dulles' speech of August 26, 1955.

I am amazed that this is the extent of the committee's consideration and recommendations with respect to the explosive situation which exists between the Arab States and Israel, nor is there any consideration of how to meet the steady infiltration of the Arab States by international Communists.

Soviet and Iron Curtain arms are pouring into Egypt. Egypt has recognized Red China. Nasser flouts the United States while he embraces the Bulganin-Khrushchev-Chou-En-lai axis. Nasser has announced that he will soon visit Communist China, accompanied by a military mission to Peiping.

Syria is flirting with the Communist world and, according to all reports, is about to recognize Communist China. Moreover, she is negotiating an agreement for the purchase of arms from the Communist bloc.

Yet the committee report remains silent.

The Arab States, in their avowed purpose to annihilate the State of Israel, have embarked upon a campaign, growing more successful each day, to supplement substantially their arms and ammunition by acquiring jet planes and submarines for obviously offensive purposes. "Blockade," "nonrecognition," and "annihilation"—these are the three terms uppermost in the minds of the Arabs in relation to the existence of the State of Israel.

Recently Premier Ben-Gurion of Israel has offered to meet Premier Nasser of Egypt at any time and in any place, including Cairo itself, to discuss a settlement of the problems between the two countries and achieve peaceful relations between them.

Ben-Gurion is willing to discuss the question of borders, Arab refugees, and other political, economic, and military matters. The desire of Israel for settlement and peace is clear and unequivocal.

In order to induce the Arab States likewise to understand the necessity for reaching a solution of problems through the means of a peace conference, on April 10, 1956, our colleague, Congresswoman EDNA KELLY, of New York, introduced House Joint Resolution 600, requesting the President to instruct the permanent representative of the United States to the United Nations to request the Security Council without delay to convene the Arab States and the State of Israel and other interested nations in a peace conference.

I endorse that resolution as an essential step toward peace and security. But no mention is made in the Committee Report of the necessity for a peace conference.

This I completely fail to comprehend. I can only construe it as an abdication of

congressional responsibility of the highest order, in which I cannot join.

From the quotations referred to in the committee report, there is no indication whatsoever of what United States policy is with regard to the area.

It is not enough to say that our policy is peace and security.

It is not enough to say that our policy is to maintain impartial friendship to both sides.

It is not enough to say that the behavior of the Soviet Union in the Middle East is "not so good."

It is not enough to say that this is an area "which is of great importance to the United States."

It is not enough to say, "The United States is trying to continue its foreign relations in a responsible manner."

It is not enough to say that "We want to maintain friendship with all the peoples of the Middle East."

By policy, we mean the plans and programs, if any, which the United States has in mind to carry out its objectives. Putting it another way, what steps are we preparing to take that will induce the Arab States to sit down with Israel, a State which has demonstrated that it is essentially to the well-being and security of the entire area and of the Arabs themselves. The committee report gives no guidance whatsoever on these questions except for the statement contained in it "the Committee has been reassured both on and off the record that the program does not include any money or plans for military aid to Israel or to the Arab States bordering on Israel." This did not reassure me, nor can it reassure Israel, whose preservation our Government has promised to maintain.

It is because of this gap in the committee report that I have felt compelled to state these views and to refer to the findings and recommendations which were made on this vital problem by a special study mission of the Foreign Affairs Committee last fall.

I was a member of that study mission which went to Israel and made its report. In that report we said:

The study mission is convinced that the United States should and will continue to give full support to Israel. Under present conditions the United States must also feel the gravest concern over Communist infiltration of the Arab States. We, of the study mission, believe that the United States should make it possible for Israel to obtain the defensive weapons which Israel has requested. These she must have to protect herself against the offensive weapons being sold at ridiculously low prices to Egypt and offered to the other Arab States by the U. S. S. R. We object to an arms race in this area. Our objective is a peaceful solution to the problems of all the nations in the area. This must be accomplished by diplomatic negotiations at a peace conference where all the issues of the Middle East can and must be solved. The tripartite pact of 1950 should be reaffirmed with emphasis on the security for this area.

The policy of the United States in the Middle East must be reviewed to effect a settlement of the problems existing there. Continued unrest and hostility among these nations and the recent campaign of the U. S. S. R. to penetrate economically and diplomatically into the affairs of the Middle East could spark a worldwide conflict. It is

no secret to observers that the U. S. S. R. will use any nation as a pawn to suit its purpose of world domination.

I do not believe in a policy of assisting those who openly defy us and align themselves with the Communist bloc while we leave an avowed friend naked and alone. Such a policy could end in disaster. We know that every member of the House Foreign Affairs Committee, and every Member of the Congress, and every American wants to avoid such a disaster in the Middle East. The avoidance of such a disaster, however, will require firm, courageous, honest, above-board action by our Government and adherence to the moral principle of fair play which has made us such a great Nation and a respected people.

Mr. Chairman, thus far I have attempted to discuss some of the controversial factors involved in this legislation. But it seems to me that differences of opinion with respect to long-term planning, the adequacy of appropriations, the size and type of assistance, and the selection of particular areas for help, while of great importance, all fail to reach the root problem of our foreign assistance program.

And until we solve this problem our foreign aid program will not be fully successful.

My distinguished colleague, the gentleman from Wisconsin, Mr. LAWRENCE SMITH, quoted, I believe, this afternoon on the floor of this House from the writings of the distinguished British authoress, Miss Barbara Ward, who has suggested in a recent article that the complete absence of any political or philosophical basis is the greatest weakness in our foreign aid program. I believe this is a just criticism and that it strikes at which I have described as the root problem.

Our foreign-aid program should not be based solely on expediency, self-interest, Communist competition or the cold war, but rather upon conviction and principle.

We have discovered in the last century one key to a shared sense of moral solidarity in the principle of the general welfare. This is the principle upon which our entire foreign-aid program should properly rest, for involved in it is the idea of universal brotherhood of men.

Over and over again we have heard it said that the problem of coping with communism is primarily an ideological or a spiritual one. And this is why we must found our foreign-aid program on a great moral principle.

If the basic cause of communism and its threat to our society is on a spiritual and ideological plane, the missing element in our policy of coping with it must be spiritual and ideological.

We can find this missing element in our foreign policy by rediscovering why we hold our democracy so dear and why we should endeavor to share its underlying principles and beliefs and blessings with our fellow men. Democracy is based on a Judaic-Christian ethic concerning the nature of man, his essential worth and dignity, and his inherent God-given rights and freedoms. Man is a valuable being.



Here is where we find the real reason for a foreign-aid program. Thus, we understand that we are engaged in this tremendous project not only because we must resist communism, not only because we must make ourselves secure, not only because we must have strong defenses, but more importantly, because it is the right thing to do.

This is what actually motivates us in the conduct of our affairs at home.

This is why we will not discriminate on the basis of race, creed, or national origin in our immigration laws.

We will oppose segregation in all its forms as a violation of the basic rudiments of Christian charity and another form of Hitlerlike racism.

We will support measures to eradicate slums from our large urban centers which to our friends abroad are incomprehensible in the light of our high standards of living.

If God has blessed us with fertile land and a population with a high degree of technical skills and initiative, we shall recognize our responsibility to find ways and means of sharing our surpluses and skills with other peoples of the world who are less fortunate.

Thus, in our foreign aid programs, we should be prepared, when asked, to tell our foreign neighbors who need assistance why we want to help them—that one of our principal motives is to help them establish and maintain a free society. We should be able to tell them why we attach such importance to freedom, and why we are interested in sharing it with them; that it is the nature of man which is at issue.

We should discuss these matters in our churches and civic groups, in our schools and universities.

We should call for volunteers and, like the Communists, develop cadres of young people to dedicate their lives in whole or in part, to serve these ends, both here and abroad. We have never lacked for volunteers when wars, in the traditional sense, have broken out.

But this is a new kind of war—the cold war—but a war nonetheless. And it is a war to the finish between freedom and tyranny.

The American people should realize that these problems are not to be confined to Government action only; we all have a stake in the outcome and we all have a role to play.

Those who recognize these things, have a responsibility to act and to give leadership to others.

We need bold and imaginative leadership to infuse and permeate our foreign policy with this vitalizing element. The people of the United States are ready for it. For this is not a suggestion to introduce an element not already existing on the American scene. It is rather a suggestion to recognize it, and to draw more heavily from our spiritual ideals in the shaping of our foreign policies and our objectives, in the conduct of our foreign-aid programs, and in the content of our propaganda. Let us not be ashamed to explain our ideals publicly, and, above all, let us act as though we really believed in them.

If such a dynamic or positive element were infused into our national thinking

on foreign policy it would tend to emphasize the quality rather than the quantity of our assistance programs.

The magnitude of aid would not be so much the measure which is often based on immediate threats of loss to the Communists.

The measure would rather be the economic and social needs of the country or area and our own ability to help on a long-term and consistent basis.

The people who receive our cooperation would not be made to feel that they are simply pawns in an international power struggle between the East and the West.

They should feel that we are doing these things because it is the right thing to do.

And I suggest that the American people and their Representatives in Congress would be more willing to appropriate the necessary funds for these programs if they had sufficient confidence that those in charge of our foreign policy had clear objectives and knew what they were doing.

What these people need above and beyond all the technical skills we can give them is to find a way of life which will have some meaning and idealism in it.

They need to discover the essential worth and dignity of the human person, to develop a sense of self-respect as well as earn and receive the respect of others.

The personnel which we send abroad either under Government programs or through private organizations should be carefully selected on the basis of their suitability and capability to express and demonstrate these ideals to the people in the underdeveloped countries.

If we continue to flounder and drift in the conduct of our foreign affairs, we shall ultimately lose all the respect which our present position of leadership requires.

Should this happen, the cause of freedom and justice in the world will be lost.

I earnestly and devoutly believe that we of the United States have the greatest responsibility in this struggle. We are on the right road, and the legislation which is before the House will assist us in reaching our proper objective.

That objective is a world at peace under law. A world in which free men use and enjoy the blessings of creation and live in harmony with God and each other.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MORANO].

(Mr. MORANO asked and was given permission to revise and extend his remarks.)

Mr. MORANO. Mr. Chairman, ever since I have had the privilege of serving on the House Foreign Affairs Committee I have been especially interested in Latin American affairs. During the present Congress I have been serving as a member of the Subcommittee on Inter-American Affairs. I have always considered this assignment a tremendous challenge and an opportunity.

From the point of view of its moral values, strategic importance and tremendous potentials, Latin America is a

vital and essential link in the whole fabric of free world unity. While general statements along this line are made from time to time both in the Congress and in the executive branch, I feel compelled to say that we have not always shown by action that we believe what we say.

The programs for Latin America contained in the mutual security bill now before this House fall short of what I would consider adequate. They constitute what I consider only a very small demonstration on the part of the United States that we recognize the fundamental importance of Latin America not only to the security of the Western Hemisphere but also to the security of the whole world.

The 20 Latin American Republics have a combined area approximately 2½ times larger than that of the United States. Latin America is second only to Western Europe in its imports from the United States and it is the principal source of imports into the United States. The Organization of American States made up of each of the Latin American Republics and the United States is the oldest regional organization devoted to securing the integrity and maintaining the defense of an important free world area. In 1950 the population of Latin America for the first time since the colonial period exceeded the population of the United States. The present rate of growth of 2.5 percent per year exceeds that of any major region of the world. The population is increasing at a rapid rate. These are facts we would do well to remember.

No one can dispute the fact that strategically, morally, and economically it is essential to keep on the side of the free world a strong and dynamic Latin America. It is essential that we maintain a strong and prosperous Latin America if the 20 Republics and the United States are to gain any mutual advantage in two-way cultural, moral, and trade relations between them and us. And it is vital to the free world defense against Communist tyranny.

As recently as 1954 we witnessed the successful overthrow of the Communist supported Arbenz Government in Guatemala. This was a government under the domination of international communism, not in the Far East but in our very backyard in Central America. We should all pause and give thanks to President Castillo Armas of Guatemala for having succeeded in overthrowing the Communist regime and for his efforts to restore that country to a position of stability and growth. This is all the more commendable when we remember that at the time President Castillo Armas took office he found the treasury looted, a huge public debt, and widespread unemployment; in fact, chaos was facing the country. Guatemala is the only country the world has ever seen which has been able to overthrow a Communist regime. I shudder at the thought of what might have happened if the Communist regime had continued in power. I shudder at the thought of what might have happened in other countries in Central America which form a connecting link between us and South America. Certainly, the present government in Guatemala deserves



the full support which they are entitled to expect from us. We can do no less.

While I favor the other programs in this mutual security bill, I feel it is my duty to call attention to the relatively small amount which we are making available to our neighbors in Latin America. The total nonmilitary assistance authorized in this bill for all the countries of Latin America is only \$65,850,000. That is for defense support, technical cooperation and the Organization of American States. The amount requested by the executive branch for military assistance for this area was \$35,546,000, which amount may well be cut because of the overall cut of \$1 billion in military funds for the entire military assistance program. When we compare these figures for Latin America with the total authorization in this bill of \$3,563,475,000 it is clear that not enough emphasis is being given in the planning and execution of programs for Latin America.

Mr. Chairman, our friends in Latin America follow very carefully the course of congressional consideration of the Mutual Security Program. To them, and I think there is much justice for this view, our lack of apparent attention to this hemisphere is something which they cannot comprehend. This they do not understand, not only from the point of view of their own best interests, but from the point of view of the best interest of the United States itself.

I feel that many of the shortcomings in our policy arise because of the cross current of information which our various ambassadors to Latin America send back to Washington. This is no criticism of them, for I feel that in the main they constitute a body of extremely able and dedicated diplomats. However, I think it is essential that we consider United States policy and programs in a particular country of Latin America not in a vacuum but as part of our overall policy with respect to all of Latin America. It is for this reason that I am today urging that the President appoint a special representative to Latin America with the rank and status of ambassador, whose function it will be to consider United States-Latin American relations in the broad context of the best interests of the hemisphere. It would be his function to circulate among the countries of Latin America as special circumstances might warrant. It would be his job to explain clearly and quickly the policy of our country should that policy be open to serious question or misunderstanding or should it need special emphasis. He would not, of course, replace our ambassador to a particular Latin American country but would rather speak for all our ambassadors to Latin America, in a sense, on matters affecting all of Latin America. Appointment of such a special representative would strengthen and buttress the action of a United States Ambassador in a particular Latin American country through affording additional support at the highest level. It would give clarity to United States foreign policy in the area and would remove the confusion which frequently results from conflicting statements from time to time by various United States representatives

on particular United States policies. Furthermore, such an appointment would give greater impetus to United States fulfillment of mutually desirable objectives sought by hemispheric conferences and meetings and would strengthen the position of the United States representative to the Organization of American States.

This post would require an experienced, imaginative, humane, astute, and understanding diplomat. I suggest to the President and Secretary of State Dulles that our present Ambassador to Italy, Mrs. Clare Boothe Luce would be an ideal choice.

No Ambassador in our history faced the difficulties which confronted Mrs. Luce upon assuming her post as Ambassador to Italy. Within a year's time, prejudices against her sex had not only vanished, but she had become one of the most loved and respected ambassadors we have ever sent to any country. Her brilliant record of achievement has been acclaimed by all. Her successful efforts to combat the spread of communism and to perpetuate democratic government, her job of weaning a floundering people from Communist arms into the western orbit, her just and laudable part in the settlement of the thorny Trieste problem, stand as impregnable testimony to a job well done.

Clare Boothe Luce has earned the reputation as one of America's frontline diplomatic representatives. Latin Americans would welcome her with pride.

While I do not know the future plans of Mrs. Luce, aside from the fact that she intends to return to her post in Italy as soon as she has taken the rest so justly deserved, I do know that she would be ever willing to serve her country in any capacity requested by the President.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORANO. I yield.

Mr. JUDD. I am happy to hear the gentleman pay this fine tribute to our former colleague, Mrs. Luce. I want to join him in all that he has said regarding the truly extraordinary job she has done for our country in a very difficult situation in Italy. But we who knew her in the House were not surprised because we had come to recognize and admire her qualities and capabilities and had learned to expect that kind of superlative performance from the able and charming and distinguished lady.

Mr. MORANO. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GORDON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MORANO. I know that the President is cognizant of the tremendous importance of Latin America to future hemispheric peace and security. It is for that reason that the President plans to attend the Special Sessions in Honor of the Presidents which will be held by the Council of the Organization of American States in Panama City, Panama, June 25 and June 26, 1956. The announcement that the President will attend this important meeting has given new hope to the Latin American Republics. The appointment of a roving am-

bassador such as I have suggested will do much to fulfill this hope.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GORDON. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. CHATHAM].

(Mr. CHATHAM asked and was granted permission to revise and extend his remarks.)

Mr. CHATHAM. Mr. Chairman, I stand before you, my colleagues, after 8 years as a member of this most important Foreign Affairs Committee. I only regret that I am severing my membership with this committee and with this House, but I must say this retirement is not of my own choosing. During these long, tedious, and important deliberations I was in the district in North Carolina most of the time campaigning; but I tried to keep up with the hearings and have spent many hours during the last 10 days in reviewing the testimony, the deliberations, and the report.

I think I can speak with some intelligence on these affairs because after beating around the world during a great part of my life, and after several years in the Navy in World Wars I and II, I have very definite conclusions about our place in this world of ours, our responsibilities as leaders of the free world, and our obligations to our people of the United States of America.

The cutting of these amounts requested in this bill does not mean that this money will be saved. If we keep the same level of defense, it may cost us from 2 to 3 times the amount by which the bill is cut. Planes, tanks, ships, guns, uniforms, and other items cost a great deal more here than from our allies.

This country came out of two World Wars infinitely stronger, materially and physically, than we went in. Statistics show that we would have lost 16 million men killed in World Wars I and II if we had lost the same percentage as did Britain and France. We lost more men killed in the War Between the States than in both World Wars. Our Allies are bankrupt in men—the best young men get killed first.

The question of international peace is completely tied in with the questions of domestic peace and prosperity, because if we are to continue to stand off the forces of evil now abroad in the world, and at the moment being confessed in such an astonishing manner by the leadership of the Kremlin, we have got to follow a course that is charted for us by our President, our State Department, and the Department of Defense, using the checks and balances we hold in this and the other body based on our experience and commonsense. There are so many angles involved that it would be impossible to name them all; but these angles include domestic peace between labor and management, between the farmer and the consumer, between all racial groups, and a united front and the endeavor to follow the long-range plan that is best for the United States of America.

God has so blessed us that we are prone to hide our heads and say to each other that all is well and that we should forget other nations and look to our own



knitting. Today, by chance, is the anniversary of the landings on the Normandy Beaches, and there was an example of cooperation by the allies that should set a mark for us to aim at during a time of so-called peace, but during a time when we have never lived more dangerously.

Under the leadership of General Eisenhower, who was given a free hand to organize this supreme effort to invade the continent of Europe, we achieved victory; and under his leadership today I hope, and pray with you, that we are traveling toward an ultimate victory of universal peace.

The example of victorious nations at the end of World War II will be noted in history as a turning point in world affairs, because instead of trampling the conquered, as has been done in the past, we loaned them a hand of sympathy and help and encouragement and brought about a strength and feeling of goodwill that has not been known before.

General Eisenhower is now our President Eisenhower, and he is my President and your President; and in a bipartisan manner I am proud to try to follow the course he and his peacetime staff have charted as the best American course toward peace. I have not always agreed with him and his advisors, but I have agreed that he is honestly and sincerely working, at great peril to himself, to make us realize that we have world responsibilities and that we must face them as we should face our personal responsibilities, down to each individual.

I have been amazed at the caliber of the men of this body generally. I compliment my colleagues on your hard work and intelligence, but I say to you in all frankness that what we do on this Mutual Security Act of 1956 may well mean our survival in a storm of unknown proportions. It is no time for loose talk or political partisanship or vindictiveness or personal preference, but rather a time for a prayerful request for guidance in behalf of our country.

The men who have testified before our committee have been picked for their experience, patriotism, character, and standing in this country of ours; and whether in the civilian components of the Department of State or Defense or in the military components of the Department of Defense, I give them credit for as much sincerity and as much patriotism as any of us. For some reason we have arrived at a situation where the general talk gets around to the topic of sincerity in these requests and to statements that "They always ask for more than they expect." How much better it would be if we took these gentlemen as a group at their word, as you would the managers of any business or organization of individuals united for a common purpose, and said to them in effect, "We take what you have said to us as facts, and we hope and expect that you will spend these moneys in the most competent and sensible way possible. And if there is any left over, you will come to the Congress and say to us, 'Here it is. We were able to do the job with less than we asked for.'" That has happened many times in the moneys that

have been allocated to the Foreign Affairs Committee and other committees, for expenses, and I am proud once again to be a member of a committee that has turned back moneys that could have been spent.

It has always embarrassed me to have outstanding leaders appear before a committee of Congress and questioned in a manner that would indicate their lack of sincerity. Men who have risked their lives in war and men who have made enormous sacrifices in peace are not usually at the top of various departments of the Government unless they have proved their ability as well as their patriotism. I do not believe our President would say to a group from both sides of this House, as this morning's papers reported after the meeting at the White House last night, that a cut such as proposed by the committee could endanger the security of our country unless he meant it. I take him at his word.

I give every man the right to his own opinion, but I have always said to my constituents when they have criticized me that at the same time I expect some constructive suggestions. We have had long experience in working with our allies; and it has been my conclusion, and is my conclusion today, that we need them far more than they need us. In Europe, in the Near and Middle East, in Asia, we have firm friends; and we have stuck to a policy of mutual security between friends and have upheld the United Nations as the best avenue of peace; therefore, I can not blame our allies for doubting our intentions when loose talk and rash statements come out of Washington that seem to belie our own sincerity.

I think few of you will disagree with me that our enemies respect strength, and what man does not respect strength. Individually we like to follow strong leadership. Individually we like strong and firm friends to lean on, and in our personal life we doubt the sincerity of those who talk about us in order to gain personal importance. As a Government we have had enough experience now in world affairs to believe that we as a Nation are young in diplomacy, and in the ways of the world, and we must realize that in our population, made up of so many strains and root stocks, we have various and diverse currents that run athwart our charted course.

Would not it be different if we had as many citizens of French or Spanish descent in our country as those of English descent? Would not it be different if we had as many of Arab descent as those of Jewish descent? Would not it be different if we had as many of Slavic descent as Italian descent?

Take the question of Yugoslavia. I have sat with 1 or 2 of my colleagues here with Marshal Tito in Belgrade and heard him say that in case of aggression he would fulfill his obligations to the United Nations. Is he not the only so-called satellite leader that has been called a traitor, a murderer, a deserter, and given unspeakable insults, to stand up and fight the Soviet leadership and by a show of strength win out to the point where he is fawned upon in Moscow and regarded

as one who personifies strength and cannot be defeated by such talk. The papers reported yesterday that he said in Moscow that his people had fought so hard for democracy that through this experience he believed the United Nations was the final answer to peace. Then why should we try to throw overboard a country who has felt the disasters of world war acutely and has come out of it strong and with the respect of both the world of light and the world of darkness.

I remember a famous Marine colonel in World War II, Col. John W. Thomasson, Jr., of Texas. We were having a big argument down in the Navy Department in early 1942 about the situation in Argentina. I was outspoken in condemning the leaders down in Argentina for not coming in with us. After all our opinions were finished, Col. John Thomasson said:

I'll tell you what is the matter with those Argentinians—they are pro-Argentine.

I think Tito is pro-Yugoslavia, and I want us to be pro-America; and I want us to attract and hold every ally we can get in our camp. The stronger they are, the better off we will be.

My mature belief is, as I stated, that we need our allies in the free world more than they need us. What do you think would happen to our country if certain of our strongest allies would announce, as Hitler did in 1939, that they had signed an alliance of nonaggression with the people of the Union of Soviet Socialist Republics. I imagine the same foreboding wave would surge over our land as surged over Western Europe when Hitler made his announcement. I respect the right of every one to state his own opinion, but I do not respect those voices that are abroad in our land that chant a constant theme of "give-away" and "pouring money down a rat hole" and such similar statements.

Weapons are changing and being modified at a faster pace than ever in history. Aside from our need for fighting men and equipment, such as ships, planes, guns, tanks, and various war materials, we most desperately need brains—the brains of research and development from every point of the compass.

I want to call to your attention something that I have known since the end of World War II when I was associated with one of the greatest men of our times—the late James Forrestal. It was brought out at the end of both wars by our own military, and frequently discussed that we, the United States, had not originated any of the main weapons that won war. I think it will be interesting to you to have an incomplete list of these weapons because many of you who served in that war will identify them, and many of you who served at home will be familiar with them and their importance. Here are a number of offensive and defensive weapons originated outside the United States and which were of the utmost importance in bringing us victory. They were, in fact, the main tools of victory which were later developed by American ingenuity and know-how and used with such in-



telligence by soldiers, sailors, and airmen:

- First. Atomic bomb—British.
- Second. Jet plane—British.
- Third. Radar—British.
- Fourth. Tanks—British.
- Fifth. Electric torpedo—British.
- Sixth. Forty - millimeter Bofors — Swedish.
- Seventh. Twenty-millimeter Oerlikon—Swiss.
- Eighth. Acoustic torpedo—German.
- Ninth. Magnetic mine—German.
- Tenth. Degaussing—British.
- Eleventh. Torpes—British.
- Twelfth. Sonar—British.
- Thirteenth. Depth charges—British.
- Fourteenth. Hedgehog—British.
- Fifteenth. Jeep carriers—British.
- Sixteenth. Motor torpedo boats—Italian.

I am not belittling our research, and am praising our development and our productive capacity, which has been made possible through our system of free enterprise; but I do not want you to ever believe that we have a patent on ingenuity and ideas.

I am going to support the President's request for the full amount of foreign aid. If we are going to keep a certain level of defense and cut this amount materially, it will cost the people of the United States from 2 to 4 times the amounts of the cuts to attain this level of defense. I am going to place my confidence in our leadership, who are working as patriotically as we, and harder than most of us, to bring our diplomatic and military organizations to the highest points attainable. I want to plow under any soil banks we may have of hypocrisy and demagoguery and build up the most important soil bank of all—that of the strength of these United States, based on cooperation, hard work, and a spirit of sacrifice, if necessary, to maintain our position of leadership among nations. I ask you to purge your minds and hearts and make your decisions based on what is good for our country and good for our children and generations yet to come. The Bible says, "When a strong man, armed, keepeth his palace, his goods are in peace." I interpret that to mean moral as well as physical strength; and I am willing to go down fighting for any cause that I believe just.

Mr. TUMULTY. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from New Jersey.

Mr. TUMULTY. Do I understand from the gentleman's speech that he endorses Marshal Tito's rule over Yugoslavia?

Mr. CHATHAM. I endorse Marshal Tito's stand against the Kremlin.

Mr. TUMULTY. Does the gentleman endorse Tito after he shot down our fliers?

Mr. CHATHAM. I take no part in that argument. I stated that I endorse his stand against the Kremlin and they are giving way to him.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. ADAIR].

(Mr. ADAIR asked and was given permission to revise and extend his remarks.)

Mr. ADAIR. Mr. Chairman, some of us here have filed minority views with respect to this bill. This has been, in our opinion, necessary in the past, and we regret we found it again to be so. These were filed not with any sense of pleasure that we thought it appropriate to do so. We did it, rather, with a sense of sadness that, in our opinion, the program had not been successful and, therefore, it was our obligation as members of the Committee on Foreign Affairs and as Members of the House of Representatives to point out at least some of those things in which we thought the legislation had been deficient.

Obviously, it is impossible in a few minutes even to suggest all of the things in which we think this legislation has failed to achieve its announced goals. However, there are some points which I think are of so much importance that ought to bring them to the attention of this body. Accordingly, in the first place, let us ask ourselves in which direction this program has been moving.

Mr. Chairman, we have moved—and I think this is important—constantly in recent years in the direction of greater concentration of power in the executive department. And, notice I did not say in the hands of the President but in the executive department. We have tended to lump together money, areas, and programs to such an extent that it is difficult, if not impossible, for many people to understand what is proposed by the legislation here before us at this time. I am sure that there are Members of this House who have read the proposals which are here before us and have tried, in their own minds, to understand what they mean. They must have found that it was difficult to tie them in with existing legislation and it was at the same time difficult, if not impossible, on the basis of information available to say "Well, this much is going to such a country and this much to another country and so much to another," and so on down the line. In other words, how is this House going to legislate intelligently with respect to this proposed legislation if there is not the detail before it upon which it can operate? Not only that, but there is a constantly increasing tendency to place more power, more very broad powers, in the hands of the executive.

Let me point that out by only two quotations. In the legislation as it now exists, and I am reading from section 418, which has to do with the President's fund for economic development, these words are found:

The President is authorized to utilize the appropriations made available for the fund to accomplish in the free Asian area the policies and purposes declared in this act and to disburse on such terms and conditions, including transfer of funds, as he may specify to any person, corporation, or other body of persons however designated, or to any friendly foreign government, agency, or organization or group of friendly governments or agencies as may be appropriate.

In other words, under existing law the President has the power, under that section to give these funds to any person, corporation, et cetera, that he may deem appropriate. It does not say public corporation. It could be a private

corporation. It could also be a private person. When that question was raised in the committee, the committee took steps; I may say, however, that the committee, in my opinion, took steps in the wrong direction because the language which is now proposed does not impose even that degree of limitation.

As proposed by section 201 it is simply this:

The President is authorized to utilize the funds hereafter made available for purposes of this title to accomplish in these areas policies and purposes declared in this act, and to disburse them on such terms and conditions, including transfer of funds, as he may specify.

In other words, in the existing law we have said that he can give the funds to persons, corporations, et cetera. In the proposed law we do not put any such limitation on it at all. The funds made available under section 201, \$243 million, can be used in any way the Executive may see fit within the terms of that section. Heretofore we have spoken about the so-called blank-check authority, the authority which exists in the Executive to use funds and authority with little or no limitation. Certainly we are carrying that authority in this legislation far beyond anything that up to now has existed. What I am saying to the Members of this House is that in this proposed legislation we are finding further evidence of the fact that there is an increased loss in the Presidency as well as in the legislative branch to control these funds and the policies of the program.

The previous speakers this afternoon have pointed out that heretofore errors have been found in this program. It is not at all difficult to understand why that is true when we have legislation written in such broad and sweeping terms as this.

A thing which you will find strongly urged in the minority views is that there is need for a restudy and reappraisal of this whole program. That was proposed, as I think all of us are aware, by the President himself when he suggested to the committee that it might be appropriate for us to authorize the appointment of a body to restudy this program. That authority is not given in this bill. But certainly I am one of those—and there must be many of us here—who feel that if we are going to have this program with all of the shortcomings which many of us find in it, certainly it should be subject to the most careful and objective study and reappraisal. If there is a program, which, as many of us believe, has not been successful in the past, then let us at least ask ourselves what we can do to make it more successful in the future if we are going to have the program.

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Illinois.

Mr. CHIPERFIELD. I offered an amendment to set up a commission to study this program; it was reconsidered and taken out of the bill.

Mr. ADAIR. The gentleman from Illinois is certainly correct. He did offer an amendment which would have provided such a commission. The com-



mittee finally decided not to include it in the bill.

Our eloquent friend, the gentleman from Minnesota—and we have the greatest admiration for him; I know of no one who is more diligent, loyal, and patriotic than he—many times has used the illustration, and a telling one it is, of the patient who has been kept alive by certain medicine, although he is very ill. He points out that that may be the situation with respect to the world today. Here is a sick patient—the world—and, as the gentleman says, here is a medicine—foreign aid—which has kept him alive. I should like to take that a little further and say that it is not enough simply to keep a patient alive. We must call a consultation of physicians. We must call people in and see if we cannot get the patient well. We must change the medicine. If one kind of medicine has for a number of years done nothing more than keep the patient alive, let us see if we cannot find a new medicine, one which will provide a cure.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Iowa.

Mr. GROSS. Is it something different from the blood transfusions that have been taken from the American taxpayers?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Minnesota.

Mr. JUDD. Is the gentleman in favor of continuing the medicine during the consultation, or does he want to stop the medicine entirely?

Mr. ADAIR. No, I want to review the whole situation and then try to find a medicine which will be successful.

Mr. JUDD. What are you going to do during the review process, stop the program?

Mr. ADAIR. Not at all. As the gentleman so well knows, there is enough medicine on the bedside table right now to last 2 years or thereabouts. We do not need for an instant to stop the program. It can go along.

As has been repeatedly pointed out, it is not so much the money which these nations throughout the world—and many of them are true and loyal friends and allies—most need, because many times the mere giving of dollars takes away self-respect from nations as it does from individuals. We need something beyond that. We need, and it is my hope that we may be able to achieve, the importing to these nations of the American philosophy of self reliance and liberty—of the American belief in the freedom and the rights of the individual. That is what we must do, not rely on dollars alone, but to strive for better understanding among persons and peoples throughout the world and, above all, to rely, as did our forefathers, upon a philosophy and a faith.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. GROSS. Mr. Chairman, I withdraw my point of order.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present. I would like to see him count them again.

The CHAIRMAN. A quorum is not present.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 58]

Abernethy	Forand	McDowell
Arends	Frazier	Machrowicz
Baker	George	Mack, Wash.
Barden	Gubser	Magnuson
Barrett	Gwinn	Mason
Bates	Hagen	Miller, Calif.
Belcher, Okla.	Hale	Miller, Nebr.
Bell	Halleck	Miller, N. Y.
Berry	Harden	Moulder
Bolling	Harrison, Va.	O'Hara, Minn.
Bolton,	Harvey	Patman
Oliver P.	Hays, Ohio	Perkins
Boykin	Hayworth	Philbin
Brooks, La.	Herlong	Phillips
Brooks, Tex.	Hillings	Pillion
Brownson	Hinshaw	Polk
Budge	Hoffman, Ill.	Powell
Burdick	Holifield	Prouty
Cannon	Holt	Reed, N. Y.
Carnahan	Hope	Seely-Brown
Celler	Horan	Shelly
Chase	Jackson	Sheppard
Christopher	Jarman	Sikes
Clevenger	Johansen	Simpson, Pa.
Davis, Tenn.	Jones, Ala.	Taber
Davis, Wis.	Jones, Mo.	Teague, Tex.
Dawson, Ill.	Kearney	Thomas, Tex.
Deane	Kelley, Pa.	Thompson, Tex.
Diggs	Kilburn	Thornberry
Dolliver	Kluczynski	Utt
Dondero	Krueger	Vinson
Donovan	Lane	Watts
Dowdy	Lankford	Wharton
Doyle	LeCompte	Wilson, Calif.
Eberharter	Lipscomb	Wilson, Ind.
Engle	McCarthy	Withrow
Fallon	McConnell	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11356) and finding itself without a quorum, he had directed the roll to be called, when 311 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. GORDON. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. PASSMAN].

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, I am not here to defend the bill before the Committee. The next time I speak to you on the foreign-aid program, it will be with relation to the money bill from the Committee on Appropriations. At this time I am expressing my own views and my own convictions; I am not speaking for the members of the Subcommittee on Appropriations handling the money part of this legislation.

I should like to pay my respects to the very able chairman handling this bill; he is not only a great chairman, but a splendid gentleman, the Honorable JAMES P. RICHARDS, of South Carolina. It is my understanding that this is the last year our distinguished colleague will handle this legislation. I am convinced

he reported out what he believed to be a good bill. It is no unusual for us to disagree, but in so doing we are not disagreeable.

I must state that I am very disappointed in the large amount requested in the bill before you.

The bill calls for \$3,563,475,000, and notwithstanding the fact that the committee made a reduction of \$1,109,000,000 below the request, the proposed authorizing legislation is still \$860 million above the amount appropriated by the Congress last year.

In my opinion, there is even more confusion in the several departments handling this program this year than in previous years. If the Members will take time to read the hearings, not only of the Committee on Foreign Affairs but of the Appropriations Subcommittee, my statements will be borne out to them, notwithstanding the many tears being shed by some of the participants from the top echelon down.

Time will not permit me to go too far into many of the obvious irregularities and inconsistencies of the program, but confusion is still prevalent in most phases of the program.

Department heads are overemphasizing the importance of the loan provisions of the program. The report of the committee, based upon testimony made before the Foreign Affairs Committee, may leave you under the impression that there has been a very large amount of money repaid on these loans. I observe one figure indicating for this year that \$15,126,000 has been paid on loans made made under this program. The testimony is erroneous; the departments are including a lot of bona fide loans made years prior to this program. There has been only \$568,000 paid back on the principal on loans under the present program. The largest appropriation for foreign aid is for the military. Under the military there are no loans, and none of the money is to be repaid.

The same thing is true under the technical aid program. Any loans would be under the economic aid section. Let me quote verbatim from a statement of Mr. John B. Hollister, the Director of International Cooperation Administration:

Our efforts this year to increase the volume of loans made under the program have had somewhat disappointing results. We have found that the use of a loan rather than a grant is frequently, for either political or economic reasons, inconsistent with the attainment of our objectives, unless the loans are so soft, that is, their terms are so liberal, that they constitute partial grants.

The amount of money being paid back on the loans made under this program would not, in fact, finance the overall program for 12 hours. So let us be realistic about this matter.

Last year, when the Congress reduced the foreign-aid appropriation by \$500 million, many were lamenting that the program had been ruined. What happened? This year every witness in the top echelon who has appeared before the Appropriations Subcommittee has testified, in effect, that the reduction last year did not handicap the program.



Last year, after hearings by the Foreign Affairs Committee and by the Appropriations Committee and while the bill was in conference, we discovered the Air Force had a check in the amount of \$302 million belonging to the foreign-aid program. The FOA Administrator did not know what to do with the check. Inasmuch as he did not know this money was due until hearings were completed and the bill passed.

This year is no different than last year. Confusion is the order of the day. Last year we had a beautiful letter from the Defense Department which obviously was purposely written to confuse members of the committee. It meant one thing at one time and another thing at another time. It was written to be interpreted two ways. Do you remember that incident of planned confusion?

Let me say this: Of the total amount available for fiscal 1955, 22 percent of the entire annual appropriation was obligated on the last day of the fiscal year. To be more specific, 22 percent of the entire annual appropriation was obligated during the last hour of the last day of the fiscal year. Confusion? I would say so. But they hollered just as loud last year as they are hollering now.

Let me quote from an editorial that ran in many of the newspapers throughout the Nation only recently:

Now the General Accounting Office, which keeps track of how the money is ultimately used, reports that the foreign-aid program suffers from poor planning, lack of accountability, poor coordination, overestimating capabilities of recipient countries, and overambitious programs.

These critical remarks could be multiplied many times to prove that the present American-aid program is in dire need of reexamination and revision.

Another quotation is as follows:

Yugoslavia's Marshal Tito, who is next on the list of Kremlin red-carpet visitors, suggested on the eve of his departure for Moscow that American aid henceforth should be in the form of long-term loans rather than outright grants.

Are we going to force Yugoslavia's Tito to accept free grant aid after his statement?

May I quote very briefly from a United Press release from Moscow:

President Tito of Yugoslavia said today he is sure there will never again be a split among Communist countries such as occurred when he broke with the Kremlin in 1948. The spirit of Lenin's principles of collective leadership are such that I am sure there will never again be misunderstanding among the nations of the socialist camp, he declared in a speech broadcast from Kievsky station in Russia.

This bill actually includes money for Yugoslavia. When the chips are down, where will Tito be?

I believe there is sufficient evidence to justify additional cuts below the committee recommendation. When I heard today that there was a lot of lamenting the reduction proposed and pleading to increase the amount recommended by the committee, I could hardly believe the story.

The distinguished chairman of this committee knows that I am going to vote against this bill. That is why I said at the beginning of my statement that the

next time I speak to you I will be representing the Committee on Appropriations and not necessarily expressing my own views.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to my distinguished colleague.

Mr. GROSS. I commend the gentleman for the statement that he is making. I wonder if in the brief time that he has he would address himself to the testimony of the Comptroller General of the United States before the Foreign Relations Committee of the other body concerning the \$400 million the Department of Defense has illegally held of mutual assistance funds since 1954.

Mr. PASSMAN. I should not like to do that, but I should like to say that you have all the proof you need that this program is just as confused this year as it was last year.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ALEXANDER. Mr. Chairman, I sincerely hope that no one will get the idea from the remarks that I am about to make that I am an isolationist or that I am unsympathetic to the economic and social problems facing the world today. Nor do I want anyone to think that I am unmindful of the magnificent contributions made by our allies during World War II and the part these nations have played since that time to uphold the principles of freedom.

Nothing could be further from the truth. I sincerely appreciate the great sacrifice made by our allies during World War II to secure the peace, and I am fully aware of the economic pressures confronting them in their struggle to hold back atheistic communism. I am also aware of and have a sympathetic understanding of the economic and social problems facing certain nations today who were not associated with us in the great war, but who are either neutral or allied with us in our effort to halt the spread of communism.

Mr. Chairman, no one can say that we have not been generous in sharing our wealth with these nations. Believing that we shared a common objective, namely the establishment of a free world, the United States has poured out its wealth in a never ending stream. Since 1940, this Nation has given allied and neutral countries over \$100 billion in economic and military aid. Year after year we have seen bills come before the Congress to appropriate this huge sum of money and the Congress has always responded.

Roughly breaking down the money we have spent for military and economic aid, we find that we spent some \$50 billion during World War II, some \$26 billion for postwar relief and approximately \$26 billion has been spent since the beginning of the Korean war. Since World War II we have actually spent more for military and economic aid than we spent for such purposes during the war. These billions of dollars have gone to pay for everything from tanks for France to plows for Iran.

Mr. Chairman, I believe the time has now come for this country to reevaluate the whole field of our foreign-aid spend-

ing. I believe the time has come when we should make an honest effort to ascertain if the huge spending programs we are approving year after year are actually accomplishing their purpose, namely, halting the spread of international communism, or if they are falling short of their objectives. And while we are examining foreign-aid spending, we might take a sober look at what it is doing to the financial condition of the United States.

Mr. Chairman, one of the reasons advanced by the proponents of foreign aid is that it cements friendship for the United States and the ideals for which it stands. However, experience in a number of countries has taught us that this argument is not sound. The bitter truth is that American prestige in many of the countries we have been so generous with is lower now than at any time since World War II. Our dollars have not made us popular in India, Iceland, Burma, Greece, France, and Ceylon, to name a few countries.

The United States News and World Report recently had an article which vividly illustrates this point in connection with India. The article pointed out that since 1950 the United States has given India \$64.3 million for iron and steel, \$42.6 million for irrigation and power, \$38.9 million for railroads, \$24.5 million for grain, \$20.9 million for fertilizers, \$16 million for cotton, \$15.8 million for technical services, \$15.1 million for malaria control, \$12.8 million for village development, \$12.2 million for schools and training, \$4.9 million for sanitation, \$2.3 million for airports and \$21 million for other projects. This makes a total in gifts to India of \$291 million. In addition to this huge amount, we have loaned India since 1950 \$190 million to buy wheat and \$40 million in connection with a world bank loan. The grand total of aid to India since 1950 amounts to the staggering figure of \$521 million. At this point, I would like to say that \$521 million far exceeds the amount of money it took to run the State of North Carolina in all its departments during the year 1955. This huge sum is far more than the \$380 million it took to construct the Panama Canal and would build two Hoover Dams at \$172 million each, with millions to spare.

Now how much friendship and popularity has the expenditure of this \$521 million bought for the American people in India? Well, let us examine the record. India opposes practically every objective we have in the Far East. She trades with Communist countries and during the first 6 months of 1955 her trade with Red China alone more than doubled. India champions the seating of Red China in the United Nations and is in favor of giving her Formosa. She has welcomed with open arms Soviet technicians to work in her 5-year plan of internal development. She seeks arms from Russia while at the same time she opposes our arming of Pakistan, a staunch friend of the United States and freedom in the Far East. Indian newspapers praise Russia and hail her as a benefactor while seldom mentioning the tremendous aid the United States has been giving India. Now, what has Rus-



sia done for India to merit all the praise and expressions of warm friendship she is receiving in that country? Again let us look at the record. Since 1950 Russia has given India \$500,000 for electrical equipment and \$200,000 for disaster relief. In addition Russia has loaned India \$100 million to purchase a steel mill as yet unbuilt. Total Soviet aid to India amounts to \$100.7 million in contrast to the \$521 million we have put up. Though United States aid to India has been five times greater than that of the Soviet Union, still the Russians get the praise while all we merit is criticism and obstruction in the Far East.

Now let us examine what has been our experience in another country in our attempt to help that country combat communism and regain economic strength. Let us take a look at Greece. During the past 12 years we have poured over \$1.8 billion of economic assistance into that country. This amounts to approximately \$214 for every man, woman, and child in Greece and is the highest per capita amount of aid we have given to any country on the European Continent.

Mr. Henry Gemmill, writing in the Wall Street Journal for January 26, 1956, states that this huge sum of money has put Greece back on her economic feet—no doubt about that—but as far as winning friends and influencing people the high investment must be rated a dubious success. Mr. Gemmill says that today the sentiment of the Greek people toward the United States ranges from mild exasperation to violent opposition. And in recent months this feeling has been intensified through our neutralist stand with respect to the island of Cyprus.

In Ceylon we have spent American taxpayers' money and in that country the West is having trouble. Recent elections in Ceylon have resulted in a neutralist landslide.

In Iceland there is a mounting feeling among the people for the removal of American soldiers. We are continually being blamed by that country for her economic ills. I have no doubt in my mind that the criticism is well founded. It would be impossible to pour the money we have into Iceland without disrupting the economy of her 160,000 people.

There are other examples where the United States is coming out second best in her policy of spending money to influence people, but I will not burden the House with a discussion of them at the present time. Sufficient is it to say that dollars will not buy friendship in the family of nations any more than it will in the private relationship between individuals.

Now, Mr. Chairman, it has been said that the tremendous sums we have been spending overseas are necessary to halt the onward march of communism. Has our spending, then, been successful in this objective? Apparently not, for at the beginning of 1945 there were less than 200 million people enslaved behind the Iron Curtain. Now, 11 years later, over 900 million people are Communist ruled. In addition, countries representing over 500 million people have elected

to follow a neutralist course rather than to join in collective security. Many of these countries now behind the Iron Curtain were recipients of generous American aid in the past. At the present time we are giving or lending money to every one of the so-called neutralist nations.

The proponents of foreign aid also advance the argument that it is our duty to raise the economies of foreign countries because poverty among the working class of people breeds communism. But this line of reasoning is also subject to questioning. In France over one-fourth of the voters cast Communist ballots this year. The past 4 years have seen rising wages and prosperity in that country. Yet, where do we find the French Communists? Not among the poor class of workers. The greatest Communist strength is among the highest paid French workers. The same thing holds true in Italy. Communism is strongest in the high-wage industrial cities of northern Italy and lowest in the poverty-stricken southern portion of the country. The billions we have poured into France and Italy have given those countries their greatest level of prosperity, but the money has failed to halt the growth of internal communism. Communism will be halted in these countries, as in any other country, when the will of the people is strong enough to resist it and not before.

Mr. Chairman, I now turn to what I consider to be the most important factor in any discussion of our foreign-aid spending, or, for that matter, in any domestic financial undertaking this Government enters into. And that is the relation of continued Government spending to the financial health and economic stability of the United States. As much as we desire to spend here at home, we must never do so to the extent that the financial security of the United States is undermined. The well-being of this generation of Americans as well as the blessings of liberty for ourselves and our posterity rests upon the continued solvency of the United States. Strike down or in any way impair this Government's financial integrity and you will open the United States to Communist enslavement as sure as if the struggle had been lost on the field of battle. And all too well do we realize that if this Nation weakens and falls, Christian civilization with all its blessings of liberty and justice, with all its promise of the future, will perish from the earth and not be known again in our time.

It behooves us, therefore, to adopt and steadfastly maintain as our first consideration, and under all circumstances, the continued economic health and well-being of the United States. So long as the United States maintains her economic health, there will be hope for the rest of the world, whether free or enslaved.

Now, Mr. Chairman, the total debt of the United States now stands at the tremendous figure of \$276 billion. This is more than the combined national debts of the nations of the free world. Our debt amounts to approximately \$1,600 for every man, woman, and child

in the country. It hangs over our heads like a giant threatening cloud and casts a shadow far into the future. If we should work a miracle and balance the budget at this session of the Congress and start paying off our national debt at the rate of \$1 billion a year, it would take us 276 years to retire it. This statement takes on added significance when we realize that the United States is only 181 years old. If we could be fortunate enough to retire our national debt at the rate of \$2 billion a year, it would take us 138 years. It gives us something to contemplate when we realize that in 1913 the total cost of all activities of the Federal Government was only \$1 billion whereas today the interest alone on the national debt exceeds \$6 billion.

Mr. Chairman, if we cannot make a start toward the reduction of our national debt and at the same time lessen the load of our tremendous annual interest charge during this period of great prosperity, then when will we ever be able to do so. I am afraid that those who come before us and advocate continued long-range foreign aid spending have no concern over the national debt. I am afraid they follow the easy path and abandon the burden of debt to future generations of Americans as yet unborn.

Foreign aid spending for the past several years has been costing every American family, from the richest to the poorest, approximately \$105 per year. Every billion dollars we appropriate adds another \$24 to the family burden. When we pause to consider that the average median income for the American family is \$3,400 a year, a yearly foreign aid contribution of \$105 or \$130 is hard to realize. But, of course, not every American family pays its foreign aid contribution every year. However, it pays its share and the rest is made up from those with higher incomes and the balance is tagged onto the national debt.

Mr. Chairman, we hear so much about tax relief for the American people. Well, if we want to give them tax relief all we have to do is scale down or better still, eliminate unnecessary foreign aid spending. To do so would lighten the tax burden for the American people to the extent that millions of small income Americans could forget about paying Federal income taxes.

I cannot vote for any program that reaches down in the pockets of the textile workers and farmers of my congressional district and takes dollars to subsidize Communist-sympathizing India or Communist-dominated Yugoslavia under Tito. I cannot support any program, foreign or domestic, which continues to pile debt upon debt and thereby undermine the financial foundation of this Republic.

Mr. Chairman, the people of my congressional district are 100 percent opposed to communism. They stand ready, within reason, to help those who have the will and the national pride to help themselves. My people feel that they have not been ungenerous with the oppressed peoples of the world. Rather they feel that they have been, in many instances, generous to a fault and that



the time has now come for a cold, realistic reexamination of our foreign aid spending. The people of the Ninth Congressional District of North Carolina are willing to assist less fortunate people of the world in their quest for freedom and a higher standard of living but they are not willing to destroy the United States in the attempt.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I, too, should like to join those who have spoken before me paying tribute to our distinguished chairman whom we are losing this year, the gentleman from South Carolina [Mr. RICHARDS]. I think almost everything has been said that could be said about him, but I want to say, speaking personally, like my colleagues, we will miss him very much in the years to come.

Mr. Chairman, for the first time since coming to Congress, I rise in support of mutual security legislation and, more specifically, in support of H. R. 11356, the bill now before us.

This bill reminds me somewhat of the agricultural legislation recently passed by the House. As was stated at that time, this is not the best piece of legislation which we could devise but it is the best which could pass this House. I hope to see it improved at such a time when amendments are in order but if it remains in its present form, I shall feel able to vote for it.

Mr. Chairman, I understand that all sorts of dire predictions have been made regarding the effects the committee reductions of slightly more than a billion dollars would have on our foreign-aid program. I understand that administration spokesmen have been urging the appropriate committee of the other body to restore the cuts. Now I would like to read the opinion of an outstanding Eisenhower supporter, Mr. John S. Knight, publisher of the Knight newspapers which, I am sure, are known to many of my colleagues. I quote from Mr. Knight's editorial of May 27:

The House Foreign Affairs Committee has, by a 24 to 4 vote, approved a billion dollar cut in the administration's nearly \$5 billion foreign aid bill.

This slash is long overdue and should be supported by both Houses of Congress. Our foreign economic and military aid programs beg to be reappraised and revised downward.

It was originally intended that military aid would help get our allies started on rearmament, just as Marshall plan economic help was supposed to be of temporary duration until Europe was rehabilitated.

Both now appear, under one form or another, to have become a permanent part of our foreign policy, with the time-worn rationalization that these programs bolster the free world against communism.

If Europe cannot now, with its present prosperity, support a military defense establishment, what kind of allies do we have? Many of France's American-financed divisions have been sent to quell the North Africa revolt.

Germany is years behind her commitments to the European defense plan.

Mr. Chairman, since John Knight is not only an isolationist but has, on occasion, even been criticized for being too much of an internationalist, I felt his

words were particularly appropriate at this time.

Now if this is to be a permanent program, a permanent part of our foreign policy and one designed to outlast even the cold war, I believe its primary purpose should be designed to advance American interests in the world, the welfare and security of our own people.

I think our foreign-aid program would be better understood and respected abroad if it gave more priority to what was strictly in the best interests of the United States. Such a course of action might not always gain us friends but the realistic pursuit of our own interests would be a policy which anyone could understand. As the Saturday Evening Post said in a recent editorial:

What we do in this field will be more effective in all respects, including the co-operation of the recipients, if we lay it on the line that our generosity is at least as closely related to our self-interest as the willingness of others to accept it is to their self-interest. Once that were made clear, we should soon find ourselves less frequently accused of using foreign aid to further some dark and devious imperialistic scheme.

It is very simple, Mr. Chairman. The average native in a middle or far eastern country is unable to understand our foreign-aid program as conducted on its present basis. With his hidden fears of colonialism, he is suspicious of whatever he does not understand and immediately suspects and looks for an ulterior motive. Finding none, he increases his suspicion, both of the giver and the motive of the gift. This is due to the fact that we have failed to show, by our words and deeds, that our investments are expected to return something of benefit to the United States.

Now let me return to the question of the billion dollar cut in military aid. I noticed that recently the director of the International Cooperation Administration declared that this cut, if retained, would be unfortunate because it would upset administration planning. But it was my understanding that administration policy in this matter was now at the crossroads. How else can one reconcile the intention of the Executive to appoint a commission for the purpose of reviewing and reappraising this entire subject? Frankly, Mr. Chairman, this is nothing but an interim policy which we are considering today. It is a form of marking time while important policy decisions are being considered and prepared for the future. But I cannot reconcile a \$4.6 billion authorization request with marking time.

This was a reduction in military aid. Now the administration has indicated a belief that the Soviets have altered their own policy, from one of force to the so-called competitive coexistence. The administration is apparently willing to go along with this presumed switch to a certain extent as shown by the decision to let General Twining visit Moscow, a decision, which, incidentally, I thoroughly deplore. But if it is now believed that the Soviets represent no military threat at present, why was it thought necessary nearly to double the request for the military part of the program?

Many will say that we must not trust the Soviets and that we must keep our guard up. I thoroughly agree with such statements. And I would be very happy, Mr. Chairman, to take this billion dollars which the committee has cut and vote to increase our own defense budget by such an amount. I would much rather see that money, if it is needed for defense, be spent for American weapons than to put it into the hands of other peoples who are perfectly capable of protecting themselves. If the British want to kill Cypriots or the French to shoot down Algerians, they may have a perfectly valid reason for being compelled to do so. But I cannot believe that our financing such accomplishments adds thereby to our own national security.

I understand, Mr. Chairman, that the President has been quoted as saying that the committee's billion-dollar cut "would be dangerous to national security." Now I would like to make my position perfectly clear. Although I have been known as an opponent of foreign aid in the past, I have never attacked the program as a whole but only what I considered its undesirable features which, to me, have included its size.

My own congressional polls of my district have, in the past, shown a majority of my constituents to be opposed to foreign aid. This year, for the first time, a majority indicated acceptance of the program at present levels, that is, the levels of the past year or slightly under \$3 billion. My missionary work has, apparently, done some good. But, after convincing my people that a program of that size is needed for some time to come, I am not going to turn around and vote for a program of nearly \$5 billion in the absence of more justification than I have hitherto received. It is going to be difficult enough to vote for a \$3 billion authorization as it is.

I certainly concur with the minority views that a stern, realistic reappraisal of the program is needed. I hope that the administration's announced intention to make such a reappraisal will soon be forthcoming. During the interim period, I can support an interim program of the size which we have approved in the past. But I do not regard an interim program as one which includes a more than \$2 billion increase over last year in spite of a 2 years' normal supply in the pipeline. I, frankly, see no reason to add to the pipeline at this time when we have no assurance that, following the administration's reappraisal, the pipeline may not be diverted or indeed stopped altogether.

Mr. Chairman, with the exception of this one issue, I will put my record in support of the administration up against that of any other member, Republican or Democrat. But I could not in good conscience justify voting for the original program any more than I can justify voting money for the Communist Tito or the Fellow Traveler Nehru.

This whole program, Mr. Chairman, badly needs a long-overdue improvement. We are not going to get that improvement as long as we take the unsupported statements of those whose



jobs depend upon keeping the program going at higher and even higher levels. I very much fear that improvement, if it does come, will arrive only where drastic congressional action forces a so-called "new look." I believe that our committee action this year has been drastic enough to shock certain people and to impel reconsideration of the overall program. If the House maintains this attitude and supports the action of its committee, I think we may begin to get some real improvement in the program. It is on that basis, and only for that reason, that I will vote for this program this year.

I offered the original amendment in committee for the billion dollar reduction which was at that time defeated. Upon reconsideration, I was unable to offer it again through a technicality. However, its adoption by a narrow vote was one of the reasons that I am going to vote for this bill in its present form. Other reasons are set forth in the supplemental views to the committee report which were signed by myself and the gentleman from Alabama.

As we said in those views, Mr. Chairman, we believe that this program could be reduced further without crippling it. We further deplore the continued inclusion in the program of so-called neutrals such as India and Yugoslavia. We reserve the right to initiate or to support amendments which, in our opinion, will further strengthen or improve the program. But, if the program remains in its present form, we will feel able to vote for it since it represents so great an improvement over what has gone before.

(Mr. BENTLEY asked and was given permission to revise and extend his remarks.)

Mr. RICHARDS. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WILLIAMS].

Mr. WILLIAMS of New Jersey. Mr. Chairman, the mutual-security bill which we have before us represents an investment in freedom. Few responsible persons would doubt the urgency, in the complex situation confronting us now, of continuing this program of assistance and aid to friends and allies. Though we may have wistful moments of wanting to go back to the simpler past when we could wholeheartedly devote ourselves to our own development and to exploration and expansion of our own frontiers; to the time when the fates of other nations were not irrevocably bound up with our own, we cannot regress. History has chosen us for world leadership. We cannot escape the responsibilities that have fallen to us, no matter how burdensome or perplexing they may be. This is the age when America must display the courage and wisdom of maturity.

The bill we have before us represents congressional recognition of this fact. It does not represent a great new departure in American foreign policy, since foreign-policy decisions are not initiated in the Congress. It is a vehicle by which the American people, through their elected representatives, have studied the existing mutual-security program and

recommendations of the administration for the continuation of that program.

While the administration has indicated its deep awareness of the intense fluctuations in the world scene and has also suggested a searching study of the aid program and its effectiveness, it has not specifically proposed any essentially new ideas. The Congress might well have expected a new approach to the program, in the light of the change of Soviet tactics from military belligerence to economic, psychological, and political penetration and subversion. Indeed, some in the Congress may think a new approach is overdue, since the so-called New Look in Soviet tactics is in reality not very new. There is evidence that it began to appear as early as 1952, before the death of Stalin and end of the Korean conflict. But while we hear that a reappraisal of the techniques and direction of our foreign policy has been taking place within our executive branch, no major new concepts have yet been proposed.

The administration did request a firm commitment by the Congress to a long-term aid program. While some felt that the Congress could not commit its successors to a program, this year's mutual-security bill does include a statement of policy, which arises out of an amendment proposed by Chairman RICHARDS, of the Committee on Foreign Affairs. The statement "declares it to be the policy of the United States to continue as long as danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States is able to provide compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom."

Though the United States has been engaged in aid and assistance programs for several years, there has never before been included in the mutual-security legislation a statement of policy like the present one. This statement is a significant addition. For some years it has been obvious that the competition between tyranny and freedom is not a momentary phenomenon but will be the condition of international life for years to come. Many of us are well aware that we cannot dodge the necessity of a continuing, full mobilization of our physical and mental energies in this competition. We are not engaged in a crash program. As the statement of policy indicates, we recognize our commitment to continue the ongoing struggle for freedom—for as long as is necessary. It states clearly that we are in the struggle for freedom to stay and to win.

I believe that approval of the statement by this Congress will be a landmark in modern history. It will show the world that we fully accept the unrelenting duties of the leadership that has come to us. Our friends and allies will be heartened by this definitive evidence of our absolute determination to help them in their continuing efforts to work out

their problems and destinies within the framework of freedom.

The statement is also a basic step in appraising realistically what our course in today's world should be for it makes evident that we must begin by accepting some enormous and even terrifying facts. This is a world in which weapons of incredible new dimensions are available. It is a world in which ancient patterns are not only changing but exploding.

And from Iceland to Japan, the seemingly benevolent tactics of the so-called new look on the part of the Soviets have been melting the periphery of the cold war. The great alignment of free world allies and friends is slipping and sliding, cracking and splintering like an ice field moving into warmer waters. In the Middle East, the Soviets have made inroads of inestimable importance. From this bridgehead, which they have long coveted, they can extend their operations into North Africa and south Asia where many new nations are in the first throes of independence. The Soviet entrance into this area is probably the most momentous event since the Korean conflict, and may ultimately prove crucial in the struggle between tyranny and freedom. The possibility of all-out conflict between Israel and her Arab neighbors may be our most immediate concern in that area, but it must not be our only concern. If it were, we would be dangerously underestimating the significance of the Soviets' penetration and influence in a part of the world where they have not been a factor before. It is a part of the world that is strategically vital and where domestic conditions may provide particularly fertile ground for Communist infiltration.

In Algeria, huge numbers of French troops diverted from the NATO forces are engaged in continuing hostilities over the Algerian claim for independence. Cypriots, Greeks, Turks, and British are spilling blood in the struggle over the Cyprus claim for union with Greece—and again, NATO suffers through the weakening of its southern anchor and enmity between its members.

Iceland's Parliament, the *Athling*, favors withdrawal of NATO forces from that country, which would mean the closing down of American bases in a strategically vital area. In Germany, Chancellor Adenauer's strength has declined, and many voices are calling for negotiations with the Russians for unification. The forces of economics in heavily-populated Japan are exerting tremendous pressure on the government to trade with Japan's nearest great market, Communist China.

These facts are complex and discouraging. How can we meet them? How can we reverse or offset our growing sense of having lost irretrievable ground to the Soviets?

Leaders everywhere are calling for answers to these questions. President Gronchi, of Italy; Chancellor Adenauer, of Germany; Premier Mollet, of France; Canadian Prime Minister Pearson, and Secretary-General Hammarskjöld, of the United Nations, are only a few of those who have emphasized the critical need for constructive new answers. Every



leading newspaper in the West publishes articles and editorials suggesting new plans, pleading for new approaches. In line with the thinking of many who fear the complete deterioration of NATO, I have introduced a resolution calling for the strengthening of the nonmilitary functions of NATO. This resolution suggests development of a jointly financed program for economic and technical assistance to non-Atlantic areas, for the more effective utilization and combination of scientific and technological resources of the Atlantic nations, for a jointly operated information effort and for educational and cultural exchanges.

The resolutions I've introduced along with suggestions that are coming from concerned people all over the world, arises from one of history's fundamental lessons—that an alliance whose original stimulus was a military threat tends to disintegrate when that threat recedes. This is what we see happening to NATO today. Yet we cannot afford to let the NATO apparatus crumble into disuse. Through it many nations have developed the techniques of cooperation, techniques which could now be directed toward extending to the underdeveloped nations the kind of help which has been so successful in reviving Europe.

My proposal also arises out of my belief that it could be a vehicle for transmitting skills and convictions to that great uncommitted area of the world where the demands for self-determination and the desire for independence are now multiplying. Through our participation and leadership in such a program as I suggest we could revitalize those moral and ethical convictions which led to the birth of our Nation. We are splendidly equipped for this leadership, as our mutual security program has already demonstrated, because America is the proof that the struggle for self-betterment and fulfillment of innate talents is not in vain. Throughout our nationhood we have been devoted to the cause of freedom and individual opportunity. The American Revolution, after all, is the great revolution that did not end in a new corruption, tyranny or moral bankruptcy. It is the revolution that did not produce an Emperor Napoleon, a Lenin, a Stalin. Instead, it produced a democracy with a daring belief in the ability to conquer any odds and to find a practical solution to any problem. This democracy is the idea that has revolutionized the modern world. We see other nations modeling their constitutions on ours, comparing their productivity with ours, measuring their liberties by ours, gauging their standards of living by ours.

The great giant that is America has also learned well how to gird its industrial sinews for battle. Now it must once again make use of its brilliant genius and resourcefulness in the production of ideas which alone can win the current fight for freedom.

The crises of a decade ago led to the very program we are considering today. World War II left Europe devastated and destitute, with its industrial equipment shattered and its cities in rubble. Shortly after the end of the war, the Russians began attempts at penetration

of Iran, Turkey, and Greece. The Berlin blockade was a Soviet effort at strangling off the allied hold in that part of Germany. Pessimism and defeatism pervaded the atmosphere of Europe and gave the Communists fertile ground for attempting to capture control of the Governments of France and Italy. The Marshall plan, Greek-Turkish aid, NATO, the Berlin airlift—all these vital efforts, which within only a few years reinvigorated the West, were responses to Soviet initiatives.

The Soviet strategy has been changing again, and so must ours. We cannot be guilty of "too little and too late," for the fate of humanity is at stake. If we will but recognize it, the challenge which has been thrown down by the so-called Soviet "new look" is an opportunity to demonstrate again that democracy has the flexibility and creativeness to move speedily and produce lasting solutions to the world's problems.

We cannot win this titanic contest by being self-righteous or displaying a feeling of superiority. Great nations, like great men, accomplish most when their self-esteem is leavened by humility and the realization that no matter what they have done it is only a scratch on the infinite surface of human capabilities.

As we again give our consideration to our mutual-security program, we might reexamine the motives that led us to undertake this program. Did we intend it to be a dole to impoverished allies who might be expected to flatter our national ego with displays of gratitude? Did we mean it to be a pure philanthropy? Did we hope that the countries we helped would fall into the habit of thinking unanimously or simply echoing our thinking?

No. The program is based on none of these things. The program represents that special blend of practicality and idealism which is particularly American. It recognizes that a poor and hopeless nation can lose pride, vigor, and the ability or desire to defend itself. It recognizes that freedom flourishes in an atmosphere with a rising horizon. It recognizes, too, that no industrial nation, including our own, can be self-sufficient. Rubber, copper, tin, manganese, industrial diamonds, and a multitude of other products without which our industry cannot function must be imported. The high-level skills in other countries are invaluable to us as we explore the growing realms of technical and scientific advances. The Russians may claim that they have independently invented everything from alphabet soup to sulfa drugs, but we know that international exchange of technical, scientific, and cultural ideas is indispensable.

The program we are considering includes an awareness that in this day of atomic weapons and jet travel, our ocean borders are no longer inviolate and that the combination of readiness by other countries' forces and bases for our own forces in those countries constitutes a first line of American defense.

Most of all the program is, as I have said, an investment in freedom, that priceless quantity without which the most splendid endowment of resources

and talents would be worthless. The fact is that since the inauguration of such efforts as the Marshall plan and Nato, no European nation has fallen to communism, and the revival of Europe has given us allies, not satellites. In nations like India and Indonesia, our technical and economic assistance has been important in helping new governments meet internal problems while at the same time keeping the strength of domestic Communists minimal. Our aid has been essential to our Central American neighbor, Guatemala, which so courageously expelled the Communists who had taken over its government.

Now, I know that there are individuals in the United States who pronounce the words "foreign aid" in acid tones. In their misunderstanding of our mutual-security program, they call it a bottomless drain on the American taxpayer. I believe that these are the people who would like to have the United States run away from its role of world leadership and return to a state of mind suitable to a frontier and provincial nation.

I am glad to say that the congressional district which I represent is one of those in which the main body of public sentiment strongly favors continuance of the mutual security program. In a questionnaire which I sent out earlier this year, some 70 percent favored continuation of economic and technical assistance. It seems to me that this attitude arises from an awareness of the importance of our relations with friends and allies in part of our country where world trade makes a recognizable impact on almost every life. I believe, too, that the high level of understanding which typifies my district is the result not only of increased education but of political knowledgeability and a concern for world peace which is natural to an area which could well be a target of enemy attack.

One of my regrets regarding the bill we are considering is that it does not include an authorization for United States participation in the Special United Nations Fund for Economic Development, an institution which has not yet come into being.

SUNFED would be the instrument for multilateral action on economic development projects. These projects are not of the type that would or could be undertaken by private capital. Roads, railways, canals, port installations and sources of power, clearing, irrigation, housing, schools, hospitals, etc.—these are not profitmaking enterprises, but they are the necessary preconditions for the establishment of sound economies, stable governments, and social progress. Expert information shows that the gaps between the economically advanced countries and the underdeveloped countries are widening, not narrowing. This is because the rate of development is faster in already developed countries.

The multilateral approach has the advantages of greater flexibility and greater acceptability. Also, in the speedily changing situation in which we now find ourselves, it is becoming increasingly obvious that we must have new ideas, new means to help the underdeveloped countries reach the point where they can help themselves. As is pointed out in



the famous report which was done by Belgian banker Raymond Scheyven for the 1954 session of the U. N.'s General Assembly:

It is \* \* \* necessary to introduce structural reforms, while maintaining full respect for the sovereignty of the underdeveloped countries. It might be easier to carry out such structural reforms through an international organization, which is in a better position to spare national susceptibilities. The intervention of any one country in reforms of this nature would be a very difficult matter, as is illustrated by the reactions which have been aroused whenever lending countries have sought to make their investments conditional upon stipulations which the borrowing countries regarded as infringements of their sovereignty.

As our Ambassador to the United Nations, Henry Cabot Lodge, has said:

Multilateral aid offers a way to prevent the so-called auction which some are trying to promote between the United States and the U. S. S. R., as to which will spend the most in an underdeveloped country.

Mr. Lodge continued:

One advantage is that a sound multilateral program would provide no cover for engaging in political penetration which is what the Communists do and which we are unjustly suspected of wanting to do.

SUNFED, like the implementation of the economic, scientific and information functions of NATO which I have proposed in House Concurrent Resolution 216, would provide the kind of new impetus which we so desperately need today. The H-bomb stalemate between the United States and Russia has diverted Communist efforts to economic penetration. I believe that international economic cooperation therefore assumes the greatest urgency, and I had hoped that it would be included in the administrations' recommendations to the Congress. I believe delay in making the necessary contribution to participate is expensive in the long run.

The legislation does include provision for our continuing support of a number of important international activities, such as the United Nations Refugee Fund, whose major objective is to make refugees useful and productive members of society in the countries in which they now reside; the United Nations Children's Fund, which currently devotes its resources to assisting less advanced countries in development of child health and welfare services and in the control and eradication of diseases. The ceiling has been increased on our annual contribution to the Food and Agriculture Organization, in which none of the members of the Soviet bloc participate.

The atoms-for-peace program is included in three different parts of the mutual security bill. The Asian nuclear center is financed from funds authorized for Asian economic development; training of individuals in various aspects of the peaceful uses of atomic energy is financed from funds for the technical cooperation and technical exchange programs; and the proposal to offer research reactors to friends and allies.

The bill also continues the United States escapee program, which provides care, maintenance, and resettlement assistance to recent anti-Communist

escapees in Europe and to selected escapees in the Far East and other areas bordering the Iron and Bamboo Curtains.

In concluding I want to reiterate my conviction that the contest between tyranny and freedom is to be conducted on the economic and political levels, we have a powerful advantage. Clearly, our devotion to individual liberty and integrity is shared by the vast majority of the people of the world. But this advantage is ours only if we make dynamic use of it. Much more can and must be done to take advantage of the opportunities open to us, as I have attempted to indicate. The mutual security program represents a minimum effort in continuing the sound policy which has developed over the past decade. Those who oppose this measure provide only the Fortress American concept as an alternative. That concept in mid-twentieth century is not only impossible to maintain but would constitute an unequivocal repudiation of our traditional belief in freedom and democracy for all. As Thomas Jefferson said early in our history:

The preservation of the holy fire is confided to us by the world, and the sparks which will emanate from it will ever serve to rekindle it in other quarters of the globe.

Mr. RICHARDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. GORDON].

(Mr. GORDON asked and was given permission to revise and extend his remarks.)

Mr. GORDON. Mr. Chairman, I have consistently supported the mutual security program ever since the enactment of the Mutual Security Act of 1951. While improvements in a program so widespread and so global are always possible I nevertheless feel that it has been a major factor in achieving the foreign policy objectives of the United States and of the free world. The bill authorizes an appropriation of \$3,563,475,000 to enable the executive branch to continue with the program. Last year there was appropriated \$2,765,875,000, including a carryover of \$62,533,250. Thus, the authorization in this bill is some \$800 million more than the appropriation last year. I feel that the amounts authorized should be more than adequate to enable the executive branch to accomplish the purposes of mutual security and to continue its effectiveness in deterring Soviet aggression. But this will require sound fiscal practices, the prudent use of appropriated funds, wise programing, and cooperation with the Congress.

I supported in committee the cut of \$1 billion in military funds which leaves an authorization of \$1,925,000,000 for military assistance. The bill limits new military funds for all of Europe to \$450 million, of which \$48 million is specifically earmarked for Spain. However, it should be pointed out that the bill at the same time specifically repeals the existing area ceilings on military funds previously made available. This has the effect of giving greater overall flexibility with respect to the use of the unexpended military funds, which amount to approximately \$5 billion.

As chairman of the Subcommittee on Inter-American Affairs, I fully support the action taken by the committee in increasing the economic development assistance request for Latin America from \$27 million to \$32 million. While I regret that this sum is \$6 million less than that appropriated for the comparable purpose last year, I am glad that we have given recognition to the gallant fight being waged by Guatemala to rid itself of the evil effects left behind by the previous Communist regime. The \$5 million increase in funds for Guatemala over the executive branch request should help the Government continue its great task of restoring the economy of the country and giving the people a stable government.

The action of the committee in transferring the classification of this assistance from "development assistance" to "defense support" is a forward step in the recognition of the flexible nature of defense support in the light of particular area requirements. In Latin America all of the 20 republics have joined with us in common hemispheric defense by ratifying the inter-American treaty of reciprocal assistance. Nineteen of the twenty Latin American Republics have adhered to the resolution of 1954 entitled "Declaration of Solidarity for the Preservation of the Political Integrity of the American States Against the Intervention of International Communism." Thus the economic assistance made available to Latin America, largely to Bolivia and Guatemala, should help immeasurably in enabling the governments of these two countries to lend strength to the reciprocal assistance treaty and the declaration of solidarity. The report makes clear congressional intent that the defense support funds in this area may be used for the purposes originally planned under the category of development assistance. I believe that an area in which our foreign policy must show imagination, vision, and more effectiveness is in our relations with our Latin American neighbors. I hope that the executive branch will give this aspect of our foreign policy particular attention and care which will be reflected in the program submitted to the Congress next year.

My own view of the solid friendship which Latin America demonstrates to the United States was confirmed in a report issued by two colleagues on the Committee on Foreign Affairs, Hon. BROOKS HAYS and Hon. CHESTER E. MERROW, on their experience as delegates to the 10th General Assembly of the United Nations in New York last fall. Referring to the support given by Latin America to the United States position at the General Assembly, my colleagues stated:

Things did not come easy for the United States and its position of leadership. Support for the United States on major problems could never be taken for granted. This is no criticism of our friends in the United Nations. The United States does not want satellites. On the contrary, we expect our friends to question our position, to discuss it with us, and then arrive at a judgment based on their own mature consideration. It was interesting to note in this connection how steadfastly our Latin American neigh-



bors stood with us in the 10th Assembly. This support was extremely important when it is remembered that it represented, with its membership of 20 states, one-third of the then 60 members of the United Nations.

While I feel it is essential that we consider carefully United States relations with peoples in other areas of the world, it is essential that we not do so at the risk of forgetting our own neighbors to the south.

The authorizations in the bill for the United Nations Refugee Fund, the United States escapee program, and the United Nations Children's Fund surely are highly justified in any program of mutual security.

In this bill the committee has substantially broadened the private-enterprise provisions of the mutual-security program. This is a clear recognition that United States private enterprise has a definite place in the foreign policy of the United States, a place which must be strengthened, for in the long run it can reduce the necessity for huge grants-in-aid and thus reduce the drain on the American taxpayer. The committee has increased the total guaranties which can be given on American private investment abroad from \$200 million to \$500 million without requiring appropriation of funds. The risks covered have been expanded to include the risks of war, revolution, or insurrection. Many segments of American private enterprise have emphasized that such a broadening of guaranteed risks will do much to stimulate a marked increase in American private investor participation abroad.

A companion program, the informational media guaranty program, has also been expanded by providing new means for financing it. The Director of the United States Information Agency, who administers the information media program, is authorized to take over \$28 million of the \$200 million of notes previously issued for guaranties and to use them as the basis for financing the program. He is further authorized to finance guaranty payments out of a special revolving fund to be set up with the proceeds of the sale to the Treasury of the notes originally executed by the ECA Administrator and now assumed by the director. The informational media guaranty program provides a market for informational materials from the United States in areas overseas which, because of the shortage of dollar exchange, would not be available to United States publishers and exporters. Thus, books, magazines, films and newspapers, telling the history of the American way of life find their way overseas and constitute an important source of information about America.

I feel that the various elements in this mutual security bill are well devised, amply provided for by the Congress, and sufficiently flexible to permit the executive branch to carry forward the program of mutual security. Provisions of law by themselves are meaningless. In the final analysis they can only serve as a framework of action and guideposts for the executive branch in conducting our foreign affairs. Let us hope that those charged with these heavy respon-

sibilities act resolutely and in the best interests of our people.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BOSCH].

Mr. BOSCH. Mr. Chairman, on several previous occasions, I have expressed my concern over the further large-scale foreign aid, commonly referred to as mutual security, handed out to virtually all comers. Over the past few years, in questionnaires sent to the constituents of my congressional district, it has become evident that many of our people are wary of the success which can or has been derived from this program.

A look at the record is necessary to properly analyze the present request for an additional \$4.9 billions which our respected and diligent Committee on Foreign Affairs has reduced by \$1.09 billions. The foreign aid funds paid out during the postwar period from July 1, 1945 to June 30, 1955 and foreign aid funds available from July 1, 1955 to date total close to \$65.2 billion, more than 25 percent of our total national debt. We have been told this help was essential to withstand the threat of communism. The record fails to disclose that this high hope has been realized.

Now, specifically, the following is just an indication of what has happened in some of the places wherein these funds were expended in an endeavor to buy friendship:

First. Most recent and most glaring: Tito, the Yugoslav dictator who has already received \$1 billion in aid, is blustering to the leaders in the Kremlin of his faithful adherence to the Communist cause and that said friendship shall never again be wedged or broken. Let us also not forget that within the last year he refused to let us even see what he does with the military goods we keep sending him, spouting that he does not need our help.

Second. This same Tito is today charged by the United Nations Commissioner of Refugees of planning to surrender to Red slavery those who sought refuge in Yugoslavia from anti-Titoist purges at home.

Third. Great Britain has most recently permitted its Malayan and Singapore Governments to lower the bars on the sale of rubber and other strategic materiel to Red China. Yes, this makes it easier and cheaper for the Peiping regime—they now get their materiel direct.

Fourth. Since the end of World War II, France has received over \$10 billion in economic and military aid. The unstable actions of the French Government, to wit, the withdrawal of troops from NATO, its large Communistic vote makes one wonder what help she will give if, God forbid, the half million American boys stationed in Europe are attacked by the Soviets to the East. Speaking frankly, it would appear our aid has been for nought.

Fifth. Since 1950 we have given India over one-half billions of dollars and what is her attitude today? Turn Formosa over to Communist China, admit Red China into the United Nations and a policy of increased trade with the So-

viet world—that is her attitude, that is what she is doing and advocates.

Sixth. In the report recently submitted by the General Accounting Office it said that foreign aid was plagued by unrealistic planning, by conflicting policy decisions and by Egyptian reluctance to cooperate. Yet, we are currying day in and day out to try to outbid the supposed offer of aid and assistance by Communist Russia.

It is also interesting, from a strictly financial stable program, to remember that there are in unexpended balances for foreign aid from prior years, which will be available for expenditure after June 30, 1956, the sum of \$6.8 billion.

It has been argued that we cannot relent in this program for, if we do, Communist Russia will take up the slack, but nowhere, at no time, have we endeavored to put Communist Russia to the test of a program of assistance such as we have undertaken and carried on for the past 10 years. I do not believe that Communist Russia could in any manner fulfill an obligation such as this program entails.

The bitter experience of the past, which clearly demonstrates we cannot buy friends, prompts us to consider whether the time isn't at hand to pay more attention to our economy at home. Without this program we could make substantial strides in reducing taxes, which now take one-third of all income, as well as reducing the national debt. We can be assured of the preservation of freedom in this world only so long as we remain economically strong and we cannot hope to maintain a stable government if we continue to scatter our resources all over the globe.

In view of all the foregoing and in good conscience, having in mind the welfare of our American Nation and its peoples, I am compelled to vote against this foreign aid legislation.

(Mr. BOSCH asked and was given permission to revise and extend his remarks.)

Mr. RICHARDS. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. MULTER].

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

PEACE, PEACE, EVERYWHERE (IN REPUBLICAN PARTY PROPAGANDA) BUT NOT A PEACEFUL MOMENT ANYWHERE

Mr. MULTER. Mr. Chairman, may I take a moment to pay a sincere tribute of appreciation and gratitude to the very distinguished chairman of the House Foreign Affairs Committee, the learned and able gentleman from South Carolina [Mr. RICHARDS]. His keen intellect and his fine sense of humor will be missed in future Congresses. We wish him well in whatever he undertakes and to him and his gracious wife, a long, happy, and healthy future.

This mutual security bill we are considering today is most important. The members of the Foreign Affairs Committee have labored long, hard, and diligently on it. Whether we agree with part, all, or none of the bill, they are entitled to our heartfelt thanks for a most difficult task accomplished in the



true American spirit of trying to accomplish the greatest good for the greatest number. They did their arduous work in and out of session.

I met many of them during the recess last year in various parts of the world, seeking to obtain first-hand knowledge of facts that would help them enact good legislation. They were worn, tired, and haggard, not from play but from hard work and uncomfortable travel. Even illness did not deter them from pursuing their tasks.

Only one who has traveled into out-of-the-way places, backward, and underdeveloped, rich in nothing but misery, can truly understand the magnitude of their devotion to duty.

They have earned the thanks of our people.

Defeat of this bill could well initiate the end of our civilization. Its passage, however, may only postpone that destruction.

We here can only legislate. The executive department, the President, and his Secretary of State must administer.

Continued maladministration of this program will destroy us and the free world. That is why I say that passage of this bill will not, ipso facto, give us the peace and security we so much desire.

Passage of this bill is the first step. Good, decent, honorable administration is the second and most important step. Unfortunately in that respect our President has failed us and the world. He has given lipservice to the principles we have enacted, but no implementation.

I say that, because the failures of his Department of State are his failures. He may argue that there are no failures but he must concede that the responsibility is his.

His Secretary of State, Mr. Dulles, has failed us and failed us miserably.

Wherever you go, in this election year, we hear Republican officeholders, campaigners, and politicians chanting the issue on which they will win in 1956, "Peace and prosperity." I will talk about the Republican prosperity of big business and the bankruptcy of small business at another time.

Today I want to destroy the Republican myth about peace.

We could have peace or at least make progress toward real peace if our Secretary of State paid more attention to the realities in this world and heeded the facts available to him.

We Democrats are Americans first. We want peace—real peace. We will cooperate fully and completely without partisanship toward that end. We do not intend to sit idly by, however, and let Republicans, in or out of office, prate about peace and give the American people nothing but talk.

Now, let us see where we have this peace or rather do not have it.

I invite your attention to the record. The record of the hearings on this very bill before the distinguished committee handling this legislation.

On May 10, 1956, pages 980 and 981 of the record, Secretary of State John Foster Dulles speaking, I quote: "

We have an armistice in Korea, but no formal peace. In Taiwan (Formosa) there are almost daily military engagements \* \* \*. In Vietnam, there is an armistice, but no formal peace.

In his public release of his testimony and in his direct testimony he referred merely to "peace." The corrected record now refers to "formal peace."

He also referred to the Middle East situation.

What do you think this forthright Secretary of State talked about in the Middle East? He talked about everything except the daily fighting. He did not mention Cyprus, or Morocco, or Algeria, or Israel.

Is there a single person in this Chamber so foolhardy as to suggest that there is peace in the world today?

Is there peace in the Holy Land?

Is there peace in the Far East?

Is there peace between Pakistan and Kashmir?

Is there peace in Algeria and Morocco?

Is there peace in Cyprus?

If peace were in these places could freemen be at peace anywhere, while millions of our brothers are enslaved throughout the world by Communist dictators?

I say to Mr. Dulles:

"Wake up, Mr. Secretary. Stop double-talking. Stop fiddling while the world burns. Start acting. Start by cleaning out the deadwood of your Department, who find out what is happening abroad by reading the American press; then eliminate those who put oil dollars ahead of world peace; with them throw out all who try to make friends of our sworn enemies at the expense of our sworn friends; kick out those who use foreign aid money to make more jobs for American personnel abroad and with them, those who think it more important to keep warehouses filled with medicines and medical supplies rather than to use them to heal the sick.

"This is a good program. You have failed to make it work."

Mr. Chairman, this bill, no matter how improved by amendment, if it can be improved, will be just another law on our statute books, unless the President and the State Department vastly improve its administration.

Mr. RICHARDS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Idaho [Mrs. Frost].

Mrs. PFOST. Mr. Chairman, I wish to commend the committee for the marvelous job they have done on the bill that is before us today.

It is no news to the House of Representatives that I favor construction by the Federal Government of a high Hells Canyon Dam on the Snake River. But some of you may be interested to know that I will also favor giving American dollars to the Egyptian Government to build the high Aswan Dam on the Nile River, when, as, and if this Republican administration overcomes its split personality and stops insisting that what is good enough for the Egyptians in northeast Africa is too good for our citizens in Idaho and the northwestern United States.

Right now while we are considering this mutual security bill is a good time to do some straight thinking—and some straight talking. After years of study of the Hells Canyon project, subcommittees of both the House and the Senate have endorsed and recommended authorization of the high Hells Canyon Dam. The administration, and its soul mates in the power lobby, are doing their level best to stop us so they can complete one more giveaway of another great natural resource—the priceless Hells Canyon Dam site.

Yet Secretary of State John Foster Dulles has demanded that we wake up and approve the Aswan Dam as a crash program. Or else, he says, the Russians may build it, which would be bad. He may be right. However, some people are beginning to wonder if Bulganin, Khrushchev, and other touring Communists will have to come to Moscow, Idaho, for a conference before this administration will wake up to the importance of building the high Hells Canyon dam. I am confident this will not be necessary, because I am convinced Congress is going to see that the high Hells Canyon dam is built without the assistance of any visiting Russian tourists.

Aswan Dam is probably a good project—notwithstanding the fact that this administration would no doubt call it creeping socialism since it would produce public power. Aswan Dam, like Hells Canyon, provides for full potential development of water and power resources instead of partial development by inadequate low dams that waste forever our limited, God-given natural resources. However, Aswan Dam will cost about four times as much as the high Hells Canyon Dam—the actual figures are \$1,300,000,000 for Aswan and approximately \$308 million for Hells Canyon—and the two dams will produce about the same number of kilowatts of electric energy. In fact, Aswan Dam is just a king-size Hells Canyon Dam wrapped up in a new economy style package. Except that the American taxpayer would be making an outright gift of a good part of the Aswan Dam costs—while on the other hand funds for the high Hells Canyon Dam are in the form of a loan that would be repaid to the Federal Treasury with interest. Yet we are told we cannot afford the high Hells Canyon Dam.

I believe in first things first. I think Hells Canyon Dam should come ahead of Aswan Dam.

I think it is time for this administration to stop doubletalking and get the high Hells Canyon Dam under construction. In fact, if they really want the daily double they can make authorization of Aswan title II of the Hells Canyon bill already written and reported by two subcommittees in this Congress.

Any of you who share my sentiments and believe that what is good enough for the Nile River and Egypt is not too good for the Snake River and the United States are invited to join with me in furthering this enterprise.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MEADER].



(Mr. MEADER asked and was given permission to revise and extend his remarks.)

Mr. MEADER. Mr. Chairman, I have consistently supported a continuation of foreign aid to assist friendly free countries in resisting Communist aggression.

It is my belief, however, that assistance of this character should be temporary, of an emergency nature, and should be so administered as to encourage the development of internal economic stability and strength so that friendly countries may stand on their own feet, finance their own defense, without being a continual and permanent burden on American taxpayers. For this reason and in the belief that aid has been too generous in the past, and too loosely administered, I have consistently voted for reductions in the amount of aid.

I have also believed that our greatest contribution to the assistance of friendly free countries is the encouragement of the establishment of sound and vigorous free enterprise economies and that this goal can be achieved best through the efforts of individual citizens and business firms in natural and profitable economic undertakings with the dual benefit of relieving overburdened taxpayers and the promotion in the world of our free enterprise philosophy. We should continually seek by demonstration, as contrasted with exhortation, to prove the superiority of a productive system based upon freedom and initiative of individuals over the totalitarian, state-controlled Communist system.

Mr. Chairman, my attitude on this legislation is well known to my constituents. Just about a year ago I discussed this subject in my weekly newsletter, a copy of which I insert at this point in my remarks:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., July 1, 1955.

DEAR FRIEND: How long should we continue to give money to friendly, free countries in resisting Communist aggression?

The Mutual Security Act of 1955, which passed the House this week 273 to 128, exemplifies how a Congressman must weigh considerations for and against a proposal and then vote although, in its final form, he does not regard the bill as satisfactory.

Since entering Congress in 1951, I have supported the continuation of foreign aid. But continually I have sought to reduce the size of the program. Our country and the rest of the free world are threatened by Communist Imperialism. Under modern world conditions we cannot go it alone. Countries, particularly those adjacent to the Communist bloc, without outside help, might easily slip behind the Iron Curtain.

On the other hand, I have always regarded financial aid to such countries as a temporary stimulant to develop internal strength to enable them to stand on their own feet and resist Communist military, economic, and subversive assaults.

This year, for the first time, foreign aid is advanced as a permanent program. The bill before the House had objectionable features. It authorized \$3.3 billion in new money although \$8.7 billion of previous appropriations remain unspent. By authorizing transfers from one fund to another it gives the executive branch of the Government a blank check in expenditure of public funds.

I tried to insert in the legislation a provision designed to increase the investment of private capital in foreign economic undertakings, reducing the need for government-to-government grants and loans, and promoting the free competitive enterprise system in friendly foreign countries. Although many colleagues agreed with my objective, the managers of the bill opposed my amendment. It was defeated.

There must be a better way of helping friendly countries to strengthen themselves than indefinitely to dole out American dollars. Until such a method can be found, however, I believe we must continue the present aid program aimed at resisting Communist aggression, although the legislation as written is not wholly satisfactory.

Sincerely,

GEORGE MEADER.

Mr. Chairman, my efforts to encourage the creation of a climate abroad favorable to the investment of private capital has been one of my major efforts since joining this body in the 82d Congress. I have repeatedly offered amendments and discussed this subject both before the Foreign Affairs Committee of the House and in debate on the House floor. A list of references to these efforts is incorporated at this point in my remarks:

#### BILLS INTRODUCED

H. R. 3798, 82d Congress.

H. R. 4199, 83d Congress.

#### AMENDMENTS, SPEECHES, DEBATE, INSERTIONS (IN CONGRESSIONAL RECORD)

April 23, 1951: Speech introducing H. R. 3798, an affirmative American foreign policy, pages 4266-4270.

July 3, 1951: Speech, Let's Export Independence, pages 7784-7788.

July 10, 1951: Letter from Nelson A. Rockefeller, page A4433.

July 12, 1951: Correspondence with Paul H. Appleby, pages A4505-A4506.

July 18, 1951: Correspondence with Spruille Braden, pages A4691-A4692.

July 19, 1951: Miscellaneous letters, pages A4701-A4703.

August 13, 1951: Statement of Howard S. Piquet, pages A5304-A5305.

August 16, 1951: Amendment to Mutual Security Act of 1951, pages 10394-10395.

August 17, 1951: Amendment to Mutual Security Act of 1951, pages 10496-10497.

May 21, 1952: Debate on Mutual Security Act, pages 5758-5763.

May 23, 1952: Amendment to Mutual Security Act of 1952, pages 6005-6006.

June 9, 1952: Letter from Mrs. H. Richard Blackwell, page A3677.

March 26, 1953: Introduction of H. R. 4199, pages 2427-2432.

May 5, 1953: Speech re President's recommendation for a Commission on Foreign Economic Policy, pages 4715-4717.

July 23, 1953: Debate on Trade Agreements Extension Act, pages 9905-9906.

May 28, 1954: Speech by H. C. McClellan, president, NAM, pages A4014-A4016.

June 30, 1955: Amendment to Mutual Security Act of 1955, pages 8243-8246.

March 29, 1956: Speech on Report of Subcommittee on International Operations on Technical Assistance in Latin America, pages 5244-5249.

May 22, 1956: Fortune editorial, The American Game, pages 7881-7882.

#### TESTIMONY

July 20, 1951: Testimony before House, Foreign Affairs Committee on mutual security program, 82d Congress, 1st session, pages 778-819.

April 28, 1952: Testimony before House, Foreign Affairs Committee on mutual security program, 82d Congress, 2d session, pages 869-882.

Mr. Chairman, I regret to say that my efforts have met with only limited success. I believe that a bipartisan commission, on the order of the Hoover Commission, could best study and recommend solutions for the problem of eliminating or minimizing artificial barriers to private capital investment overseas.

In the Mutual Security Act of 1951, section 516 (c), an alternative study was ordered to be made by the Department of Commerce. That study resulted in submission of a report in two parts. The first part, a survey of factors limiting United States investments abroad, was published in 1953, and a second part, an analysis of views of American businessmen on impediments to overseas investment, was published in June 1954. Those were useful documents and I have no doubt they contributed materially to the increased flow of American capital overseas which resulted in American foreign investments being doubled in the decade following World War II.

I favor a study by a commission, because I believe any government department will be at a disadvantage in studying and possibly criticizing either its own activities, or lack of them, or those of sister agencies in the executive branch of the Government.

In the extension of the Trade Agreements Act of 1953, title III created the Randall Commission to study foreign trade and overseas investments. Unfortunately the Randall Commission absorbed itself so overwhelmingly with trade that it did little to advance the attack on impediments to investment beyond the point which had been reached by similar previous studies.

Mr. Chairman, since I doubt the House of Representatives will accept a proposal I have repeatedly made to establish a bipartisan commission to encourage the increased flow of investment capital in strengthening the economies of friendly free countries, I have decided to attack this problem in the current mutual security legislation in a somewhat different manner, hoping that it will appeal to the judgment of my colleagues.

Accordingly, Mr. Chairman, I intend to offer two amendments to H. R. 11356 which together, if adopted, should stimulate the activities of our citizens and business firms in contributing to the economic development of friendly foreign countries through their business undertakings.

The first amendment is to section 413 (a) of H. R. 11356, and reads as follows:

Page 8, after line 17, insert the following:

"(j) Amend section 413 (a), which relates to encouragement of free enterprise and private participation, by inserting '(1)' after '(a)' and by adding the following new paragraph:

"(2) It is further declared to be the policy of the United States to ensure that the expenditure of funds under this act will effectively contribute to the achievement of the goals of United States foreign policy, and for that purpose to eliminate or minimize international barriers to investment and trade, to facilitate the creation in foreign countries of a climate favorable to the investment of private capital, to discourage the extension of socialism and nationalized industries by declining to commit United States funds to the support of Government-owned and Government-operated industrial



and commercial facilities, and in general to avoid the expenditure of funds in support of erroneous policies and practices of foreign governments which, without our financial support, would eventually have to be corrected or eliminated by the force of circumstances."

And redesignate succeeding subsections accordingly.

This amendment would clearly, and beyond any question of doubt, instruct the administrators of aid programs to eliminate or minimize international barriers to investment and trade, to encourage the creation of climates favorable to the investment of private capital, and to discourage socialism and Government-owned commercial and economic enterprises and thus to contribute to the achievement of goals of United States foreign policy. At the same time, this amendment would instruct our officials not to use aid funds to underwrite unsound policies and practices of foreign governments which, without our financial support, would eventually have to be corrected or eliminated by the force of circumstances.

Mr. Chairman, the second amendment would also amend section 413 by adding a requirement that the Commerce Department shall again conduct a study of impediments to private investment abroad and make recommendations of means whereby those impediments may be removed or decreased. The text of that amendment reads as follows:

Page 11, after line 5, insert the following: "(1) Amend section 413 by adding at the end thereof the following new subsection: "'(c) The Department of Commerce shall, in full cooperation with private business groups and governmental agencies (including the International Bank for Reconstruction and Development), conduct a thorough study of the legal and other impediments, foreign and local, to private investment abroad, and the methods and means whereby those impediments can be removed or decreased, and shall make recommendations thereon to the Director of the International Cooperation Administration.'"

And redesignate succeeding subsections accordingly.

On May 22, 1956, I inserted in the CONGRESSIONAL RECORD—page 7881—an editorial from Fortune magazine which I think is very significant, because Fortune's editorial emphasized the role that private capital and free enterprise can play in the development of stable and strong economies in friendly foreign countries. Let me just quote three sentences from that editorial. It states:

The fact is, however, that Government aid, while having a place in the American response to Moscow, is a sideshow, not the main show. The real source of America's strength lies in its own flexible and dynamic system of private enterprise, and in the projection of that system abroad. What is needed is not another Government plan, by which the Soviets set so much store, but rather a foreign economic policy that will enlist the support of the American people and capitalize on American assets.

Many of you have noticed in the appendix to the minority views on H. R. 11356 tabulations prepared by the Legislative Reference Service showing foreign aid grants and loans since 1940, that is, since World War II and the postwar years, to be in excess of \$111 billion.

Frankly, I think that figure is somewhat low, because it does not take into account the surpluses overseas which we practically donated to many foreign governments.

But during that same period the investment of American private capital overseas has increased by only \$15 or \$16 billion.

I say we have the cart before the horse. The increase in investments of private capital should have been far greater and the expenditure of Government funds—not capital but grants and loans—should have been far less. To reverse that emphasis is the purpose of my amendments. What fault can you find with it?

We in America believe that economic and political stability are achieved through a flourishing free-enterprise system depending on private capital rather than socialistic governmental operation and control of economic activities. That has been officially announced as United States Government policy in Latin America by the Assistant Secretary of State for Latin American Affairs, Mr. Henry Holland, in the following words:

What are our convictions as to the role of Government in the economic field? What kinds of programs and policies do we believe will produce strong economies? The answers are probably apparent. The people of the United States believe in the private enterprise system. We are convinced that we ourselves can do more than any government can to make business enterprises grow, to create new ones, to create more employment at acceptable wages, and to raise the standards of living of our people. We believe that our Government helps the national economy most when it creates those conditions which give us, the working men and women, the farmers, the businessmen of the country, the greatest opportunity to carry on all those processes of private enterprise which have brought us to the point where we now are.

This means that there are certain things that we expect our Government to do and some that we expect it not to do. We rely on our Government leaders to follow sound fiscal and taxing policies, policies that will maintain a stable currency, policies that will combat the evil disease of inflation, policies that will assure to investors a fair chance to make a reasonable profit if they risk their capital in industry or commerce. We expect our Government to supply those public facilities and services which are needed in a free-enterprise system, but which are not in themselves attractive to private investors. These include such things as roads, schools, hospitals for the poor, irrigation systems, port works, and things of that nature.

#### GOVERNMENT VERSUS BUSINESS

Of equal importance are the things that we expect our Government not to do. We strongly believe that except in special situations our Government should stay out of the field of business. When government enters a particular industry or commercial activity, private enterprise generally withdraws. This is because onerous regulations are usually imposed on the private enterprise in order to insure the survival of the less well organized and operated Government enterprises which cannot compete without special advantages. Our experience has convinced us that as a rule Government-run enterprises are not as strong and do not make as great a contribution to the national economy as do their counterparts operated by private citizens. Therefore, we feel that governments should invade the field of industry and commerce only where essential and then, if possible, only on a temporary basis.

Our Government's chief emphasis will be on those kinds of economic cooperation that contribute to the creative efforts of private individuals, particularly nationals of the other countries. We believe they are the greatest hope for progress in the other American Republics. The most effective contribution that our country could make to the economic development of Latin America would be to help private enterprise throughout the hemisphere. It is responsible for our inter-American trade which each year provides our neighbors with about \$3½ billion in cash and credits. Our own private investors have supplied some \$6½ billion of capital for the economic development of the area. In addition they are also providing technical knowledge, equipment, and marketing opportunities for Latin America's growing industries.

From that general statement of United States policy certain broad principles can be enumerated to serve as guides to all American officials stationed throughout the world.

Any activities and related expenditure of United States tax funds should have clear and specific relationship to the achievement of the goals of foreign policy as above stated. Efforts of our diplomatic representatives, our information people and our technical assistance officials should seek constantly to promote development and investment of private capital in economic undertakings; to eliminate or minimize barriers to investment and trade and to facilitate creation of a climate favorable to the investment of private capital. On the other hand, by all appropriate diplomatic means they should seek to discourage the extension of socialism and nationalized industries and should decline to commit United States funds to the support of Government-owned and Government-operated industrial and commercial facilities. They should likewise avoid expenditure of our funds to support erroneous policies and practices of foreign governments which, without our financial support, would sooner or later have to be corrected or eliminated by the force of circumstances.

The foregoing is not intended to advocate or condone meddling in internal affairs of other countries. Obviously all of our activities should be carried out with full regard for the sovereignty of friendly nations and by methods and actions calculated not to offend. Yet there should be no hesitation on the part of our officials from top to bottom under the guidance of the President's representative in each country—the Ambassador—to let it be known that United States funds are trust funds exacted through taxes from the American people; that they must be devoted to ends calculated to promote the common defense and general welfare of the American people; that they were appropriated by the Congress, not for the purpose of pure philanthropy but for the security and interests of the United States, in the belief that the threats of Communist imperialism and subversion can best be met by promoting the stability of free peoples so that they may be able to defend themselves against aggression and subversion.

Aside from our commitment to the philosophy of free economic and political institutions and our economic interest in trade and commerce with free peo-



ples as contrasted to totalitarian-controlled economies, we are convinced that economic and political stability are promoted by free enterprise institutions and are weakened by socialist institutions.

Just last week on May 31, 1956, Mr. Robert Murphy, Deputy Under Secretary of State, appeared before the Hardy committee in hearings on American aid to Iran, which totaled some \$200 million in technical assistance, so called, in a 4-year period. I asked Mr. Murphy to repeat a passage of his prepared statement announcing that it was American foreign policy to encourage the creation of a climate attractive to private capital. This is what he said:

Mr. MURPHY. This is a task, Mr. Chairman, which, under our system, we would normally expect private capital to do. Indeed, much private capital today does flow into the less developed countries, but only in cases where the economic and political risks make it attractive. In many parts of the world, the risks are such that private capital is not ready to take them, but we, as a nation, still have a strong security interest in those areas.

Then I asked Mr. Murphy this:

Mr. MEADER. I do not recall your saying it specifically, but I wonder if you could state it is our policy in conducting these programs and normal diplomatic activities and information activities to encourage the creation of circumstances that would favor the time when this will come under private capital.

Mr. MURPHY. Oh, I would like to emphasize that is our policy. We have tried to favor the use of private enterprise wherever we can.

Mr. MEADER. And, with whatever tools and bargaining powers are available in the aid program or to our diplomatic missions and information people, they are clearly instructed, are they, to encourage the creation of a climate favorable to private capital?

Mr. MURPHY. I can say that our State Department representatives abroad are clearly advised about instructions to that effect, but I could not tell you offhand about the information people. I know it applies to the ICA and, I believe, to the Information, but I do not know. I touched lightly upon that when I said "We must seek the expansion of trade and investment throughout the free world." We are talking about private trade and its investment there.

Mr. MEADER. And would it follow as a necessary corollary, in your opinion, that it would be our policy to discourage the extension of nationalized industries and governments operating in the economic and industrial fields?

Mr. MURPHY. Yes. Well, we have clearly indicated our lack of sympathy for those. However, we do operate in areas where there is that, shall I say, political philosophy. I think our views on that subject are known pretty well in every nook and corner.

Mr. Chairman, why should anyone oppose an amendment which seeks to announce that it is American foreign policy to encourage our traditional way of conducting economic and commercial operations. Who is going to say they oppose it? Are we favoring socialism or fighting communism with these aid funds? Why should it not be written into the act so that there is no misunderstanding of the policy of Congress, so that no Administrator can refuse to follow and obey statements of policy

such as those made by top officials, which I have just quoted.

Now, let me say something. I have heard it said by people close to ICA, and I think from my own experience with the Hardy committee and otherwise, that it is substantiated, that the ICA is being run today by three ghosts: Hoffman, Harriman, and Stassen. They saddled that organization with their own people. Many of them are do-gooders and visionaries. They are still running the organization today, and many of them are not in sympathy with the philosophy I have just expressed. They need instructions, clear instructions from the Congress of the United States, to carry out the American free enterprise philosophy in their dealings abroad. I think it should be written right into the law so that there can be no question.

I have just received information that I hope I can substantiate this evening and present to the House tomorrow that some of the ICA people abroad have been encouraging the extension of socialism and nationalized industries and the commercial operations of governments, through their administration of American aid funds.

I hope the members of the Foreign Affairs Committee, especially the chairman and ranking minority member, will give careful consideration to this proposal and accept my amendments when they are offered tomorrow.

Mr. RICHARDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. Flood].

Mr. FLOOD. Mr. Chairman, a highly respected and great American statesman not so many years ago declared that politics should stop at the water's edge. It was his belief that the American people should speak with a united voice to the world so as to have maximum effectiveness against the enemy who would like to divide and conquer them. This is an occasion, Mr. Chairman, when the solidarity of the American Nation should be particularly firm. When the very freedom and independence of this Nation are at stake I can find no justification for those who would seek partisan advantage in opposing a policy for the protection of our homes, our liberty, and our traditions. Party politics should not intrude in matters as crucial as foreign aid, and that is why I am going to give my full support to the President's request for the foreign assistance program and will introduce the amendments necessary to restore the \$1.1 billion slash made by the Foreign Affairs Committee. I shall give my wholehearted backing to the entire \$4.9 billion the President has requested and will do so even if I am the only man that does.

In backing the President in this matter, however, I wish to make clear that I am giving no blanket endorsement to the administration's policies in foreign relations, nor do I maintain that the slogans of bipartisan foreign policy should be used to muffle intelligent debate in the formulation of policy. But the decision to extend military and economic assistance to other nations, in the ultimate

interest of contributing to the security and welfare of our own country, has now become a settled policy of our Government. Those who would constantly like to "reexamine" or "rediscuss" this policy do so in many cases, I strongly suspect, because they would like to discuss it to death.

As the Members of this House so well recall, the birth of United States foreign aid as a consistent, coordinated program took place 8 years ago when the European recovery program was enacted by a far-sighted Congress controlled by one party and acting in concert with an administration controlled by another. Now that the Marshall plan has become history, the United States Congress has no regrets for having supported it, for it has proven to be one of the most magnificent strokes of government policy and at the same time of humanitarian generosity in the annals of American democracy. United States assistance to Europe has been an astounding success and a major contribution to world peace. Since 1948, the year the Marshall plan began, industrial production in the recipient Western European countries has just about doubled, whereas the quantity of aid, which ran to an appropriation of about \$4 billion in the first year, has this year dwindled to only a very minute percentage of this sum. Not a single Western European member of the North Atlantic Treaty Organization is scheduled during the forthcoming fiscal year to receive any economic-type aid, except for minor technical exchanges. This fact plus the recent disclosure that nine United States aid offices in Europe were closed during the current fiscal year is concrete proof that American assistance can be brought to a successful conclusion and that it is not interminable.

The inauguration of the Marshall plan was soon followed by another program which furnished another instance of the ingenious statesmanship of our people—the so-called point 4 program of technical assistance. This "bold, new program" was sweeping and courageous in concept and, in view of the tack which the cold war now seems to be taking, may yet prove to be one of the most far-sighted policies adopted by the United States in our time.

With the sudden, shocking outbreak of the Korean conflict in June 1950 American aid underwent a radical change in character. The shift in emphasis went to the military phase of foreign aid in order to shore up shaky defenses of independent nations around the globe that were, or might be, menaced by the Soviet Union. With the termination of the Korean conflict and the increasing build-up of the armed defenses of our allies military aid could be reduced, and it was. But for reasons which I do not condone but which I will not dwell upon at this time, during the past couple of years it was reduced more than it should have been, thus creating what might be called the problem of the pipeline.

Because the amount of new foreign-aid money appropriated for this current year, \$2.7 billion, is considerably less than the current note of expenditure, about \$4.5 billion a year. The pipeline of goods



that is flowing to the countries we are assisting is in danger of being depleted unless an increased appropriation is made for the next fiscal year.

In order to maintain the proper backlog to keep the pipeline going at the desired rate, the President has requested \$4.9 billion—no lesser amount will do the job. Four billion five hundred million dollars will not do it, nor will \$4 billion. And certainly the \$3.8 billion provided by the committee will not do it. The \$1.1 billion pared off the foreign-aid bill by the committee will jeopardize the pipeline and, what is more pertinent, will weaken the defenses of many economically enfeebled nations the preservation of whose independence is essential to our own.

The responsibility, Mr. Chairman, is a grave one, and it seems to me it has already been treated too irresponsibly by those who have in the past not properly tended the pipeline and allowed it to fall into its present peril. However, this is no time for recriminations. I, for one, do not intend to pile irresponsibility on irresponsibility and imitate those who have already endangered our aid program. If the stream of aid has been hampered by the delinquency of those in whose charge it is, then it seems to me that the duty incumbent upon Congress is to correct the delinquency and not perpetuate it.

But why do we have to keep the pipeline flowing at such a rate, some might inquire, is not there a new look behind the Iron Curtain? Has not Stalin disappeared from the scene and have not his heirs repudiated his legacy and set a new course of peaceful coexistence for the Soviet Union? The answer is clear. There is no evidence that behind the Communist rulers' new preachments of harmony and light there has been any genuine alteration of their ultimate aims. But there is plenty of evidence that the old purposes of communism are just as strong, just as deadly, and just as enduring as they have ever been. After the Geneva Conference at the summit last year Khrushchev told the East Germans that the Communists were in favor of a relaxation of tension, "but if anybody thinks," he asserted, "that for this reason we shall forget about Marx, Engels, and Lenin, he is mistaken. This will happen when shrimps learn to whistle." I personally have not yet heard of anybody who has recently come across any whistling shrimp. Certainly there were none whistling at the sessions of the 20th Congress of the Soviet Communist Party early this year when the Red leaders mapped out procedures for subverting democratic governments through popular fronts and by capturing democratic parliaments and transforming them into genuine instruments of the peoples' will. Mikoyan openly boasted of how the Communists had subverted free governments in Czechoslovakia and other Eastern European countries now bent under the Red yoke. The announced intent of the Communists to continue to pursue the same tactics in the future does not strike me as evidence of any change.

The Muscovite chieftains proclaim that they can win their goals without war, and that communism can emerge

triumphant in an era of peaceful coexistence. But the so-called peaceful gestures they have made have cost them little or nothing, and when put under scrutiny are obviously false and hollow. The withdrawal of their military forces from Austria and from Porkkala in Finland were highly dramatized, but they had no business being there in the first place and these outposts had lost their usefulness. Let them withdraw from Poland or 1 or 2 other captive countries and permit genuine free elections, and I might begin to put some credence in a real change. Likewise the recently highly propagandized cutback in Red army manpower is hardly a sign of pacific intent when Soviet science and industry are pushing ahead so energetically and alarmingly in long-range bombers, guided missiles, and nuclear explosives. The Soviet Union, despite the manpower reductions, is still the most powerful country militarily in the Eastern Hemisphere.

The de-Stalinization campaign, Mr. Chairman, proves essentially nothing, except that victims of a tyrant of the blackest hue can safely turn on him once he is dead. Stalin always was "de-Stalinized" in my book, and I can see no particular merit in partially recognizing him for the villain he was. I do not think that the dispelling of the pack of lies we call the Stalin myth is the bright dawn of a new day. Nor do I consider the release of many political prisoners as the sudden advent of Russian democracy. Obviously there have been changes in the Soviet Union since the demise of the man of steel. It would have been astounding if there had not been. We cannot propel ourselves on the wings of wishful thinking to believe from a few shreds of evidence or from a few superficial corrections of the rankest injustice that the confirmed totalitarian has reformed or that "shrimps can now whistle."

From all indications, therefore, the Soviet "new look" is nothing but old-fashioned expediency designed to break down the defenses of free peoples and lull them into a complacency where they can be easily destroyed, like a snake hypnotizes a chicken before gulping it down. The prime target of Soviet tactics is NATO and the other military coalitions lined up against the Communist threat. As a corollary, one of their fondest hopes is to cripple the mainstay of these alliances, this aid bill we are now debating. I know that all of us are foes of communism and I know we are all imbued with the sincerest and most patriotic of motives, but there is nothing the Soviet leaders want more than for us to do than blow large holes into this measure. It would be a sharp rebuff to the Soviet rulers and help tremendously to thwart their "new look" foreign-policy tactics if this aid program were approved in its full and undiminished version. The world would then be on notice that we do not intend to falter in those purposes of international security, tranquility, and justice that we have so often proclaimed.

The theory that the Soviet Union's recent gambits in the economic aid field in Asia and Africa and its greater stress

upon political penetration into these areas indicate that the Communist strategists are placing less emphasis upon the military, is not based on solid evidence. If its surge forward in hydrogen weapons and if its spectacular gains in intercontinental bombers and guided missiles add up to less emphasis upon the military, then I fail to see it. The U. S. S. R. today is militarily stronger than it ever was, and I can see no logical reason for stemming the flow of tanks and guns to our allies. Saber rattling is not in my line, and I think the United States should always shrink from actions savoring of warmongering. But to cut back our military assistance at a time when Soviet capabilities have not diminished but increased, would be to gamble on the lives of the American people and to put liberty on the wagering board.

When the defense appropriation was discussed on this floor a few weeks ago I pointed out the sad plight into which our Armed Forces were getting. They are rapidly becoming the second best defense forces in the world. The trouble is there is not any prize for second best in a war. Perhaps the most disturbing aspect of our present defense position is our slippage in long-range strategic bombers. To correct this I proposed a \$1 billion increase in the B-52 program. The argument was then made that the increase was unnecessary because of the military assistance being furnished through the foreign-aid bill. It would be the acme of inconsistency now to reduce military aid, when we have not taken the steps necessary to assure our defense superiority. To cut military assistance now, after refusing to give our own Defense Establishment the sinew it needs, would be to compound obstinacy and multiply blindness. I cannot understand pennypinching when the security of the country is at stake.

From my attitude on the military segment of this program please do not conclude that I believe we can put our faith solely in arms and soldiers and bombing planes. Hungry bellies often have a way of spreading Communist influence even more than the threat of force or the promise of subversion, for the man in desperate straits sometimes thinks a radical solution is his best out when the methods of reason and democracy appear discouragingly slow. Food, shelter, and clothing are the foundation stones of freedom and orderly society—today as they have always been. Unfortunately many millions in the vast continents of Asia, Africa, and even in Latin America do not enjoy minimum standards in these essentials of life. Consequently, it is understandable how the example of Soviet Russia can have superficial appeal to many peoples in underdeveloped lands. The Russians point out that only a relatively few years ago they had a backward economy, too, and that they have built it up to its present level in only three decades, and this despite the handicap of a devastating war. The "miracle" of communism can do the same, they say, for the people of other countries, and the latter, often poorly informed on democracy and the American brand of capitalism, find an attraction in this propaganda.



A major purpose of our economic aid is to give these people an alternative, to convince them that communism is not the way out, to demonstrate that freedom is more mounteous than slavery, and that the only gift Moscow can give is a new and more terrible colonialism. Tractors, cement and technical skills have become weapons in the cold war, and we cannot be niggardly with them any more than we can with the military hardware we are sending to our allies.

We need both an economic and a military assistance program and we need it in sensitive areas all around the globe. I am no special pleader for Asia, or for Europe, or for Latin America. Those who try to pare back aid for one area in order to concentrate it in another that happens to be their momentary favorite can easily end up, when you add up their efforts together, by mangling the entire bill and wrecking the aid program. We cannot afford to quibble over this area or that area. With the Soviet Union on the loose the whole world is in danger. If we appropriate the full amount the President requests, then there will be an adequate sum for every area and there will be no need to worry whether this or that one is getting enough.

Moreover, we can afford it. How many of us sit down and carefully ponder the implications of the fact that with only 7 percent of the world's population we have nearly 50 percent of its wealth. Our gross national product is now running about \$400 billion a year, which is about 8 times the GNP of the United Kingdom and 100 or 200 times that of some countries in Southeastern Asia. Moreover, our productivity is increasing by leaps and bounds—our GNP has almost doubled since the end of the war. We are on the threshold of the atomic age, an era of virtually unlimited power, where the only limit to the American economy will be that imposed by the horizons of science. Not only can we afford this program, but we can't afford not to have it. If we thought the cost of the last war was high, it will be nothing compared to the next. The price we will pay the next time will be the national heritage of our people, perhaps the very structure of civilization itself.

These are all very practical considerations. As a member of the Appropriations Committee I have long been aware of problems of Government finance, and the virtues of a balanced budget have long since made a vivid impression upon me. But at the same time I also know the futility of a government which balances its budget and goes down to defeat. Frankly I am more interested in the balance of power than I am in a balanced budget, and in seeing that the American Nation does not end up as a has-been in the merciless scrolls of history.

There is also the timeworn line that the Reds are trying to break our economic back, that they are trying to get us to spend ourselves into destruction. I have heard this rationalization of economy-minded gentlemen time and again, and know it inside out. The surprising thing is that the Soviet line can also be interpreted to be just the opposite of what the opponents of aid

would like. On the basis of statements by Communist spokesmen at the recent 20th Congress, one could also say that they are trying to get us to curtail our defense and foreign assistance expenditures, because it is these expenditures that are sustaining our economy. Personally, I hold no brief for either line, no matter how you interpret it. The economy of this country is too big, is too virile, and I have more confidence in it than to believe that the magnitudes with which we are here dealing in this bill will shake or break our financial stability.

Mr. Chairman, please do not permit what I have said to convey the impression that I do not think defense is costing the American taxpayers a lot. But we are a business-minded people, we know that you cannot get something for nothing and we know the value of making prudent investments in enterprises that pay off. Actually, this foreign aid measure is an expensive premium on a very vital and worthwhile insurance policy. It will pay off in the highest return we can get—the protection and security of our people.

That is the only payoff we need or want. We are not looking for fame or glory or for gratitude. To hear some critics rail at the assistance we are giving to other countries you would think that we were in some sort of popularity contest and that aid money was a sort of bribe to the judges. You cannot purchase friends any more than you can buy the love of a woman. In fact, it is grossly insulting to suggest, by attitude or otherwise, that a man's gratitude or loyalty can be bought, and insofar as we may make such an inference we are thwarting the purposes of our assistance measures. The rewards we are primarily seeking in our foreign aid are not ephemeral things like popularity and gratitude. Our foreign policy is conducted on a more serious level than that. Our goal is that other nations should be democratic, independent, and strong, and able to live out their lives in security, peace, and freedom. If I thought that by so doing we could guarantee these results from our aid, I would be willing to extend it anonymously—for after all these are the results that will most redound to our welfare and safety. I do not decry the value of good public relations, and naturally I would much rather have other peoples like us than dislike us. And please, Mr. Chairman, do not overlook the fact that hundreds of millions of people around the globe do like and admire us. But if at the same time we are criticized and maligned to an extent we never were before, I fail to understand the logic that attributes this to foreign aid. It seems to me it arises more from the central position of leadership that events have thrust upon us than from the presence or absence of an aid program.

Whether we like it or not the old comfortable days when we could fade unobtrusively into the wallpaper are gone. The standard of leadership is now in our hand and we cannot lay it aside without grave peril to ourselves and to our children. We are committed to all the sacrifices, the headaches, the anxieties, and attacks that have since the beginning of

time beset those in positions of high responsibility. This program has made steady progress during the past 8 years toward its goal of enduring peace with justice. As the President said in his message to the Congress we cannot now falter in our quest for peace. The need is urgent because the enemy is still rampant, and more crafty and guileful than he ever was before. We should thank Heaven that our great people have been endowed so richly with the stamina, the resolution and the skill to carry on the struggle. For carry on we must. The alternative before us is simple, we can either lead or we can quit. And Mr. Speaker, Americans have never been quitters.

The Clerk read as follows:

*Be it enacted, etc., That this act may be cited as the "Mutual Security Act of 1956."*

Mr. RICHARDS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker pro tempore [Mr. ALBERT] having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, had come to no resolution thereon.

#### GENERAL LEAVE TO EXTEND

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

#### CATHOLIC UNIVERSITY HONORS HON. JOHN W. McCORMACK

(Mr. FOGARTY asked and was given permission to address the House for 1 minute.)

Mr. FOGARTY. Mr. Speaker, on next Sunday, June 10, our able and respected majority leader, JOHN W. McCORMACK, will receive the honorary degree of doctor of laws at commencement exercises of the Catholic University of America. This is, indeed, a remarkable tribute, for no person holding public office other than a President of the United States, has ever before received an honorary degree from Catholic University.

We who know our majority leader so well can easily understand why the university selected him for such honors. We recognize that the tribute being accorded him is one which is richly deserved and fully merited. JOHN McCORMACK's entire public life, including his years in the Legislature of the Commonwealth of Massachusetts and his 28th consecutive year here in the United States House of Representatives, has been exemplified by an unsurpassed devotion to duty coupled with a strict observance of the highest Christian principles.

Other honors and awards have come to Congressman McCORMACK over the years.



He has been awarded the peace medal of the Third Order of St. Francis. He is a member of the Order of Malta First Class. Honorary degrees have been received by him from the following:

Boston University, Boston, Mass.  
Holy Cross College, Worcester, Mass.  
Boston College, Chestnut Hill, Mass.  
Villanova College, Villanova, Pa.  
Tufts College, Medford, Mass.  
Providence College, Providence, R. I.  
Stonehill College, North Easton, Mass.  
Georgetown University, Washington, D. C.

Staley College, Brookline, Mass.

That he is now to be so signally honored by Catholic University pleases me personally, as I am sure it does every Member of this House. Perhaps our thinking is best described by the following editorial which recently appeared in a Boston newspaper:

#### A DESERVING HONOR

When the Catholic University of America confers an honorary degree on Congressman JOHN W. McCORMACK on June 10 this eminent institution of higher learning will recognize officially the life and accomplishments of one of the greatest Americans of our time. As the holder of the most important offices in the National House of Representatives, Mr. McCORMACK has endeavored with conspicuous success to be a spokesman for all Americans, and his influence has invariably extended far beyond the boundaries of his own party. It has been said that this outstanding son of Massachusetts could have had all of the major appointive positions in the land, including that of Supreme Court Justice. But he always chose, even against the wishes of two Presidents, to continue as a Member of Congress and as an active participant in the enactment of humane and progressive legislation. "The Catholic University has never honored a more deserving statesman."

#### OIL IMPORTS

(Mr. VANIK asked and was given permission to extend his remarks at this point.)

Mr. VANIK. Mr. Speaker, in a letter made public recently, Arthur S. Flemming, Director of the Office of Defense Mobilization, asked oil importers to lower their planned imports of crude oil in the current quarter in order to maintain the ratio to domestic production recommended by the Presidential Committee on Energy Supplies and Resources last year.

At the same time, Mr. Flemming announced that the Committee formula which pegs oil imports at the same ratio they bore to domestic production in 1954 will be reviewed by September 1 in the light of changing economic and national defense requirements. If the Committee finds as a result of this review that import programs are threatening to impair the national security, the Office of Defense Mobilization proposes to hold a public hearing under the national security section of the Trade Agreements Act. This provides that the President adjust imports when he finds that they are threatening to impair the national security. It is Dr. Flemming's responsibility to advise the President when he believes such a condition may exist.

The control of oil imports through a perversion of powers of the Defense Production Administration and the national

security section of the Trade Agreements Act is obvious. The President's Committee on Energy Supplies and Resources is nothing more than the legalization of a domestic petroleum cartel to the advantage of the domestic producers who already have received more lush inducements than any other industry—by way of the 27½-percent income-tax depletion allowance and quick amortization certificates.

How can national security be enhanced by restricting the importation of crude oil? Today, this country's petroleum reserves have been lagging critically behind the increased demand. The shortage of domestic oil is properly the concern of every American—known reserves can take care of current needs for less than 12 years. As a matter of fact, domestic production is inadequate to take care of current needs in industrialized America by 278 million barrels per year. The alarming fact is that during the past 10 years oil consumption has increased 80 percent while domestic oil production has increased only 40 percent. Demand has increased twice as much as production.

The only argument that can be sustained to control imports is that America's security depends on the development of a sufficient domestic industry. But the oil searchers are already stimulated by protected prices and the tax benefits which they uniquely enjoy. After being located and determined, the best place for American oil is in American earth, located but preserved. If our imports should be cut off by reason of critical world conditions, we will be able to sustain our oil-hungry economy and perhaps survive with oil we have providently saved for that day. It is in the interests of the national security that American oil be saved for that contingency.

Import oil is abundantly available at one-third less the domestic price. The domestic oil producers' cartel, operating through the President's Committee on Energy Supplies and Resources, are seeking to restrict oil imports in order to fix higher prices and profits for domestic oil. How much more gouging can the American oil consumer tolerate?

The work of the President's Committee on Energy Supplies and Resources should be more carefully scrutinized by Congress. In whose interests does the Committee really operate? There is too much government in America by committees which are private instrumentalities and which owe their primary obligation to the industry which compensates them rather than to the public trust.

#### PRESIDENT PLANS ACTION AGAINST UNION RACKETEERS

(Mr. FRELINGHUYSEN asked and was given permission to extend his remarks at this point and revise and extend his remarks and include extraneous matter.)

Mr. FRELINGHUYSEN. Mr. Speaker, I was extremely pleased to note an article by Mr. A. H. Raskin which appeared on the front page of this morning's New York Times. I should like to call it to the attention of my colleagues.

According to this account, President Eisenhower is planning to take special action aimed at racketeers inside certain labor unions. I should like to insert the full text of Mr. Raskin's article at this point in my remarks:

EISENHOWER PLANS ACTION AGAINST UNION RACKETEERS—SPURRED BY BLINDING OF RIESEL, PRESIDENT ASKS FOR LABOR CONFERENCE—MEANY WELCOMES CONSTRUCTIVE INQUIRY

(By A. H. Raskin)

President Eisenhower plans White House action against underworld infiltration into unions, authoritative labor sources reported last night.

The President was said to have informed George Meany of his intention in a private conversation at the dedication of the new \$4 million headquarters of the American Federation of Labor and Congress of Industrial Organizations in Washington on Monday.

Mr. Meany, who heads the united labor movement, told the President that labor would support any constructive investigation of racket inroads into union ranks.

The specific spur for the President's expression of determination to act, it was reported, was the blinding of Victor Riesel, crusading labor columnist, by an acid-hurling assailant in midtown Manhattan 2 months ago.

The conversation between the President and Mr. Meany was summarized by one source, as follows:

The President said he had watched Mr. Riesel on the Meet the Press television program Sunday night, and had been much impressed by his demands for Federal action against union racketeers. The President declared that he wanted to do something about the problem. He expressed a desire to meet with Mr. Meany soon to discuss the subject in greater detail.

The AFL-CIO head replied that he welcomed the President's interest and would be glad to meet with him. Mr. Meany said labor's sole concern was that any investigation be directed at ridding unions of corrupt elements and not at weakening unions.

In the television interview that aroused the President's interest, Mr. Riesel made a dramatic, fist-clinched appeal for establishment of a permanent congressional committee to root out union crooks.

He praised Mr. Meany and other top officials of the merged labor organization as men dedicated to clean unionism, but he said they lacked power to do an adequate job without Government help.

No indication was given by the President of what action he might take. However, one possibility discussed in labor circles was the appointment of an impartial committee of distinguished citizens to hold hearings in major industrial cities.

Such a committee could be armed with power to subpoena witnesses and to initiate contempt proceedings against those who refused to cooperate. It might function along the lines of the State crime commission, which conducted the waterfront investigation here in 1952. Its findings led to the enactment of the New York-New Jersey compact against waterfront crime and to the expulsion of the International Longshoremen's Association from the old AFL.

The AFL-CIO has an ethical practices committee of its own to keep its ranks free of racketeering. Mr. Meany is expected to recommend specific measures for increasing the effectiveness of this self-policing machinery at the meeting of the AFL-CIO executive council in Washington this week.

However, the merged labor group has repeatedly expressed its willingness to back Government action designed to provide additional safeguards in areas outside direct union control. Mr. Meany recently endorsed









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 8, 1956  
For actions of June 7, 1956  
84th-2nd, No. 94

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HIGHLIGHTS: House debated foreign aid bill. House concurred in Senate amendments to general Government matters appropriation bill. Ready for President. House Committee submitted report on REA and Interior power policies. Senate committee reported bills to authorize USDA land exchanges with Defense, continue ACP, pay expenses of soil-water conservation advisory committee, authorize feeding of CCC grain to waterfowl, amend penal provision of CCC Charter Act, repeal FFMC authority to issue bonds, approve inter state forest fire compact, eliminate requirement for notice of animal quarantine, require census data on class of farm, change date for proclaiming tobacco quota. Senate received nomination of Hamil to REA. Senate committee ordered reported bills to improve budgeting and accounting methods and procedures and to facilitate payment of obligations.

## HOUSE

1. FOREIGN AID. Continued debate on H. R. 11356, the mutual security authorization bill. p. 8810
2. APPROPRIATIONS. Concurred in the Senate amendments to H. R. 9536, the general Government matters appropriation bill for 1957. This bill will now be sent to the President. p. 8810  
House conferees were appointed on H. R. 10003, the D. C. appropriation bill for 1957. p. 8854 (Senate conferees were appointed June 5.)
3. FOREIGN TRADE. Both Houses received from the President a report on actions under the Reciprocal Trade Agreements Act (H. Doc. 421); to House Ways and Means Committee and Senate Finance Committee. pp. 8755, 8856  
Rep. Byrd spoke in opposition to the Organization for Trade Cooperation. p. 8857
4. ELECTRIFICATION. The Government Operations Committee submitted a report on the

effect of Interior Department and REA policies on public-power preferred customers (H. Rept. 2279). p. 8862

5. WATER POLLUTION; POSTAL RATES. The Rules Committee reported resolutions for consideration of H. R. 11380, to readjust postal rates, and H. R. 9540, to extend the Water Pollution Control Act. p. 8857
6. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 5712, to provide that the U. S. hold in trust for the Pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo Grant and a small area of public domain adjacent thereto (H. Rept. 2281). p. 8862

#### SENATE

7. AGRICULTURE AND FORESTRY Committee reported the following bills: (p. 8757)
  - S. 2572, to authorize the interchange of lands between USDA and the Defense Department; without amendment (S. Rept. 2152).
  - S. 2585, to authorize exchange of a land tract at the Beltsville Research Center (S. Rept. 2155); without amendment.
  - S. 3120, to continue for 2 additional years Federal administration of the Agricultural Conservation Program; without amendment (S. Rept. 2154).
  - S. 3314, to authorize payment of expenses of the Advisory Committee on Soil and Water Conservation; without amendment (S. Rept. 2153).
  - S. 2732, to authorize the Interior Department to obtain CCC grain for feeding to waterfowl to prevent depredations; with amendment (S. Rept. 2156).
  - S. 3669, to amend the penal provision of the CCC Charter Act (S. Rept. 2157); with amendment.
  - S. 2530, to repeal the authority of the Federal Farm Mortgage Corporation to issue bonds; with amendments (S. Rept. 2158).
  - S. 3032, approving the Middle Atlantic interstate forest fire protection compact; with amendments (S. Rept. 2159).
  - S. 3046, to eliminate the requirement for certain notices of animal quarantine; with amendments (S. Rept. 2160).
  - S. 3145, to require the Census Bureau to develop farm income data by economic class of farm (S. Rept. 2161); with amendments.
  - S. 3261, to change the date by which certain tobacco quotas must be announced each year; with amendment (S. Rept. 2151).
  - S. 3344, to authorize USDA to convey to Alaska certain lands in Sitka known as Baranof Castle site; without amendment (S. Rept. 2150).
8. GOVERNMENT OPERATIONS Committee ordered reported H. R. 7227, to provide for donation of surplus property for civil defense purposes; H. R. 7855, extending temporary authority of GSA to dispose of surplus property by negotiation to July 31, 1958; S. 3362, to simplify accounting and facilitate the payment of obligations; S. 3897, to improve governmental budgeting and accounting methods and procedures; H. R. 10417, to amend the Federal Register Act regarding public proclamations in a period following an attack upon the U. S.; S. 3843, to adjust the application of Sec. 322 of the Economy Act of 1932 to premises lease for Government purposes. p. D587
9. WATER DEVELOPMENT. Sen. Watkins inserted and commended an address by Reclamation Commissioner Dexheimer on the future of multiple-purpose river development. p. 8803
10. NOMINATION. Sen. Watkins commended the nomination of Fred A. Seaton to be Secretary of the Interior and inserted newspaper editorials on this subject. p. 8806



# House of Representatives

THURSDAY, JUNE 7, 1956

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who didst watch over us during the night and hast brought us to this new day, we rejoice that Thou art willing to accept our prayer and answer every sincere petition.

We pray that our whole life may be adorned with the noble virtues of gratitude and humility, of patience and perseverance, of fidelity and courage, of love and good will.

Defend and fortify our minds and hearts against the devastating moods of cynicism and doubt. May we always be disposed to follow Thee in faith and in faithfulness.

Guide us in the difficult decisions which we are daily called upon to make and may we discharge all our duties and responsibilities in devout obedience to Thy holy will.

Hear us in Christ's name. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 22, 1956:

H. R. 7228. An act to amend title II of the Act of August 30, 1954, entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes"; and

H. R. 8130. An act to designate the bridge to be constructed over the Potomac River in the vicinity of Jones Point, Va., as the "Woodrow Wilson Memorial Bridge."

On May 24, 1956:

H. R. 2057. An act for the relief of Edwin K. Stanton;

H. R. 2893. An act to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Graphic Arts Corporation of Ohio, of Toledo, Ohio;

H. R. 5535. An act for the relief of S. H. Prather, Mrs. Florence Prather Penman, and S. H. Prather, Jr.; and

H. R. 7164. An act for the relief of Lt. Michael Cullen.

On May 28, 1956:

H. R. 2284. An act for the relief of Maj. Robert D. Lanier;

H. R. 2904. An act for the relief of Maj. Orlin A. Fayle;

H. R. 3268. An act for the relief of Comd. George B. Greer;

H. R. 3964. An act for the relief of Klngan, Inc.

H. R. 4026. An act for the relief of James C. Hayes;

H. R. 4604. An act relating to the issuance of certain patents in fee to lands within the Blackfeet Indian Reservation, Mont.;

H. R. 4640. An act for the relief of James M. Wilson;

H. R. 5047. An act to increase the compensation of trustees in bankruptcy;

H. R. 6137. An act for the relief of Herman Floyd Williams, Bettie J. Williams, and Alma G. Segers;

H. R. 6184. An act for the relief of Lt. P. B. Sampson;

H. R. 7186. An act to provide for the review and determination of claims for the return of lands in the Territory of Hawaii, conveyed to the Government during World War II by organizations composed of persons of Japanese ancestry;

H. R. 8309. An act for the relief of Col. Henry M. Zeller;

H. R. 9257. An act to amend title 18 of the United States Code, so as to provide for the punishment of persons who assist in the attempted escape of persons in Federal custody; and

H. R. 10875. An act to enact the Agricultural Act of 1956.

On May 29, 1956:

H. R. 1471. An act for the relief of William J. Robertson;

H. R. 3366. An act for the relief of Mary J. McDougall;

H. R. 4162. An act for the relief of Kahzo L. Harris;

H. R. 7030. An act to amend and extend the Sugar Act of 1948, as amended, and for other purposes; and

H. R. 9207. An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands.

On May 31, 1956:

H. R. 8904. An act to amend certain laws relating to the grade of certain personnel of the Army, Navy, Air Force, and Marine Corps upon retirement.

On June 4, 1956:

H. R. 1016. An act for the relief of Mrs. Ida Bifolchini Boschetti;

H. R. 1779. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Juniper division of the Wapinitia Federal reclamation project, Oregon;

H. R. 3054. An act for the relief of Allen Pope, his heirs or personal representatives;

H. R. 5478. An act to authorize a \$100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 5652. An act to provide for the relief of certain members of the Army and Air Force, and for other purposes;

H. R. 5862. An act to confer jurisdiction upon United States district courts to adjudicate certain claims of Federal employees for the recovery of fees, salaries, or compensation;

H. R. 6084. An act to authorize the Secretary of the Interior to sell certain lands of the Agua Caliente Band of Mission Indians, California, to the Palm Springs Unified School District;

H. R. 6374. An act to repeal legislation relating to the Gallup-Durango Highway and the Gallup-Window Rock Highway at the Navaho Indian Reservation;

H. R. 6623. An act to amend the act of July 1, 1952, so as to obtain the consent of Congress to interstate compacts relating to mutual military aid in an emergency;

H. R. 6990. An act to provide for the conveyance of certain lands by the United States to the Board of National Missions of the Presbyterian Church in the United States of America;

H. R. 7540. An act to provide for the sale of a Government-owned housing project to the city of Hooks, Tex.;

H. R. 7678. An act to permit articles imported from foreign countries for the purpose of exhibition at the Eleventh Annual Instrument-Automation (International) Conference and Exhibit, New York, N. Y., and the Americas' New Frontiers Exposition, to be held at Oklahoma City, Okla., to be admitted without payment of tariff, and for other purposes;

H. R. 8810. An act authorizing the Secretary of the Interior to construct, equip, maintain, and operate a new fish hatchery in the vicinity of Miles City, Mont.;

H. R. 11177. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1957, and for other purposes; and

H. J. Res. 261. Joint resolution authorizing the Secretary of the Army to donate surplus supplies and equipment for memorial purposes to The Citadel, Charleston, S. C.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, its clerk, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H. R. 2840. An act to promote the further development of public library service in rural areas; and

H. Con. Res. 232. Concurrent resolution extending greetings to the American National Red Cross on the occasion of its 75th anniversary.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9336. An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1957, and for other purposes.

The message also announced the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two houses thereon, and appoints Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. DIRKSEN, Mr. SALTONSTALL, and Mr. KNOWLAND to be the conferees on the part of the Senate.



The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

S. 9739. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1957, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. RUSSELL, Mr. McCLELLAN, Mr. DIRKSEN, Mr. SALTONSTALL, Mr. KNOWLAND, Mr. MCCARTHY, and Mr. POTTER to be the conferees on the part of the Senate.

#### EXECUTIVE OFFICE OF PRESIDENT AND SUNDRY GENERAL GOVERN- MENT AGENCIES APPROPRIATION BILL, FISCAL YEAR 1957

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9536) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1957, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 4, line 9, strike out "\$350,000" and insert "\$365,700."

Page 7, line 3, strike out "\$50" and insert "\$75."

Page 7, line 9, strike out "\$350,000" and insert "\$400,000."

Page 8, line 1, after "\$1,140,000", insert ", of which \$10,000 shall be immediately available for printing relating to the dedication of World War II memorials."

Page 8, line 22, strike out "\$1,000,000" and insert "\$1,050,000."

Page 9, line 9, strike out "\$5,000" and insert "\$10,000."

Page 9, line 11, after "Commission", insert ", and employment of aliens."

Page 9, line 12, strike out "\$795,000" and insert "\$800,000."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

(Mr. ANDREWS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ANDREWS. Mr. Speaker, the bill H. R. 9536, as passed by the other body, is \$120,700 over the amount originally approved by the House. The increases in detail are, first, \$15,700 for the Council of Economic Advisers; second, \$50,000 for the President's fund for expenses of management improvement; third, \$50,000 to initiate a very worthwhile project in the American Battle Monuments Commission; and, fourth, \$5,000 for sal-

aries and expenses for the Foreign Claims Settlement Commission.

The committee is in agreement with the changes made, and the present total of the bill, \$14,969,975 remains below the budget estimates by the sum of \$44,500.

#### CALL OF THE HOUSE

Mr. VAN PELT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 59]

Bell	Gray	Norblad
Berry	Gubser	O'Hara, Minn.
Bolling, Mo.	Gwinn	Patman
Bush	Hale	Pilcher
Cannon	Harden	Pillion
Carlyle	Herlong	Polk
Carnahan	Jones, Mo.	Powell
Dawson, Ill.	Kee	Reed, N. Y.
Deane	Kelley, Pa.	Shelley
Diggs	Kilburn	Sikes
Dowdy	Lane	Thompson, La.
Eberharter	Lankford	Thornberry
Frazier	Lesinski	Velde
Gamble	Mack, Wash.	Wharton
Gordon	Miller, Calif.	

The SPEAKER. On this rollcall 379 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### BROOKLYN SUNDAY SCHOOL UNION

(Mr. KEOGH asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. KEOGH. Mr. Speaker, 127 years ago, the Brooklyn Sunday School Union was founded. Every year since then on the first Thursday in June, all the people of the great Borough of Brooklyn provide a celebration of that event that has become known as Anniversary Day. This day is unique in Brooklyn and probably does not have its counterpart anywhere else in the world. Brooklyn is affectionately known far and wide as the Borough of Churches, and past many of these beautiful edifices 120,000 men, women, and children will march today to mark the event. Those churches are of many denominations, and the adults and children in the impressive parade will represent various faiths and creeds. There will be colorful floats and banners proclaiming the faith of Brooklyn in God and country. Although basically a religious celebration, the event has a distinct civic aspect, and many of the persons in the line of march, as well as in the reviewing stands, will be leaders in all walks of life.

It is truly an inspiring occasion. Brooklynites of faiths not represented in the Sunday School Union are equally glad that they live in a community where such a manifestation of faith can be made with no untoward incidents to mar the event. No one is forced to march—

and no one prevented from participating—against his will.

Anniversary Day embodies the spirit of the first amendment to the Constitution that provides that Congress shall make no law representing an establishment of religion, or prohibiting the free exercise thereof. This celebration epitomizes that goal of our Founding Fathers. It is the spontaneous participation of people blessed with the right to worship as they please, but even more than that it demonstrates that although Congress may not establish a state church, we are essentially a religious people, and it was with this knowledge and in this spirit that the Constitution and the first amendment were written.

#### MUTUAL SECURITY ACT OF 1956

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 11356, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read section 1 of the bill. If there are no amendments to this section, the Clerk will read.

Mr. DIES. Mr. Chairman, I move to strike out the last word.

(Mr. DIES asked and was given permission to proceed for 5 additional minutes.)

Mr. DIES. Mr. Chairman, the proponents of this annual authorization bill seek to justify it on the ground that it will retard Communist aggression. I do not presume that there is any advocate of this bill who would be so enthusiastic as to suggest that it will stop Communist aggression. They assert that if it had not been for this foreign-aid appropriation in the past, far more territory and population would have been absorbed by the Soviet Union.

Mr. Chairman, it is doubtful that the Communists would have acquired much more territory regardless of these appropriations. As a matter of fact, since 1945 the Soviet Union has acquired by annexation or by subversion and revolution more than 700 million people and 5 million square miles in 17 countries. There never has been in the history of the world a record of conquest to equal this record.

The difficulty the Soviet Union is experiencing is not one of acquisition but of digestion. I do not believe that our efforts in recent years to halt this aggression by the annual appropriation of foreign-aid money have been justified by the results that have been achieved.



Too much of these funds have been wasted or spent unwisely to warrant me to vote for this bill especially when it is undisputed that it will require 2 or 3 years to spend what we have already appropriated.

It is true that in the beginning of the program we were justified in seeking to aid the distressed countries of Europe who had just passed through a devastating war and who needed help to help themselves, but the time of the effectiveness of this program has passed. We are seeking to do something that is not possible and is not practicable. This program as now administered reminds me of a middle-aged fat officeholder, well supplied with funds, trying to defeat with money an aggressive, crusading, dynamic young man. However much he spends in newspaper advertising, in radio, and in television, he cannot defeat the enthusiasm, the zeal, and the fighting qualities of his young opponent. To combat communism effectively we must emulate the zeal of the Communists in converting vulnerable areas and peoples to the great principles of freedom and independence.

While we have scattered our money broadside throughout the world the Soviet Union by the same tactics and the same technique which it employed so successfully in our own country for more than a decade has been winning one country after another. In fact, the western world has given independence to 22 countries and abandoned 694 million people in an area of 9 million square miles. While America was giving independence to the Philippines, influencing Britain to withdraw from Egypt and the Suez, and France to withdraw from Indochina, and the Dutch from Indonesia, while this process was going on among the western empires, the Soviet Union was steadily replacing the colonialism of the western powers with the new type of colonialism of the Soviet Union, which is far more ruthless than anything these people have experienced in the past.

We cannot dispute the history of Russia. It began in 1460 with a tiny principality of 15,000 square miles. Under the Czars it expanded by conquest until by 1917 Russia had acquired 145 million people and 8 million square miles. Fifty nationalities, 80 separate languages; almost a constant state of rebellion and ruthless extermination of nationalities; the Russification of all the vast people that fell under the iron heel and the mailed fist of the Czars—these were the chief results of Russian aggression. Then, when the Communists employed the technique of the fifth column their conquests exceeded anything that Ivan the Terrible, Peter the Great, or Catherine, or any of the other rulers of Russia had ever been able to accomplish. Under the Communists Russia now controls more than one-third of the population of this earth. Great Britain has shrunk from one-fourth to one-twentieth, and we in our desperation and paucity of imaginative programs have sought to stem the tide by an expanded WPA. If these funds had been spent

wisely to help these people help themselves by practical programs of development the results achieved might have justified this bill.

I have not had the privilege of traveling over the world. In fact, I have never been outside of the United States, and I doubt seriously that those of my colleagues who have had that privilege were able to obtain an accurate picture that is necessary to form a sound conclusion. But I have made it a point to talk with disinterested and impartial people who are acquainted with the situation, and I am not convinced that this money has been spent wisely and that we are justified in continuing it. We act as though there is no limitation to our natural wealth. We proceed on the basis that for some reason America has resources to continue to dump billions of dollars all over the world. We stubbornly refuse to accept the fact that America owes more money than all the rest of the world put together and that we are burdening our own people, not only with excessive taxation today, but that we are bequeathing to our posterity the most staggering burden of public debt ever known in the history of the world.

I know that President Eisenhower wants this program, but President Eisenhower is not infallible. He has made some errors with respect to the Soviet Union in the past. I need only quote excerpts from speeches and writings of the President. During the critical period, to illustrate that the President was under a serious mistake with reference to the Communist Union, for instance he said in 1945:

Americans at that time (autumn of 1945), or at least we in Berlin—saw no reason why the Russian system of government and democracy as practiced by the western allies could not live side by side in the world.

Again, on November 16, President Eisenhower said:

The Russians would have nothing to gain from a war with the United States. Nothing guides Russian policy so much as a desire for friendship with the United States.

He said in 1952:

There is no more reason to fear the 190 million backward people living on the Eurasian continent than there is to fear pollywogs swimming down a muddy creek.

I could go on and quote from various statements of the President not to condemn him but simply to show that President Eisenhower during that critical period was laboring under the same illusion, the same misapprehension as were many other leaders, and that he had refused to accept what the Russian leadership had announced repeatedly to the world as being their chief objective, namely, the conquest of the world. Mr. Chairman, this money provided in this bill cannot be used for 2 or 3 years. During this period we can reexamine and reappraise this entire program and put it on a sound and defensible basis; we can at least limit these funds to our actual and potential friends where there will be some assurance of concrete results. Until this is done, Mr. Chairman, I cannot, in good conscience, spend my

constituents' hard-earned money or mortgage their future to finance this program.

By unanimous consent the pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 2. Title I, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to military assistance, is further amended as follows:

(a) In section 103 (a), which relates to authorizations, add the following new paragraph:

"(3) In addition, there is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$1,925,000,000, of which not less than \$48 million shall be used to provide assistance to Spain and not more than \$402 million may be used to provide assistance to other European countries, and which shall remain available until expended."

(b) In section 105, strike out subsections (c) and (d).

Mr. HAYS of Arkansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Arkansas: On page 2, line 2, strike out "\$1,925,000,000" and all that follows down through line 6 and insert in lieu thereof "\$2,525,000,000, which shall remain available until expended."

(By unanimous consent, Mr. HAYS of Arkansas was given permission to proceed for 5 additional minutes.)

Mr. HAYS of Arkansas. Mr. Chairman, this amendment raises the total figure for military aid by \$600 million. It also removes the limitation on assistance for Europe in order to achieve greater flexibility in the program; and removes the requirement for a fixed amount for Spain. There would be no doubt whatever about Spain's receiving the amount carried in the bill but my amendment removes the reference since the increase would provide for it.

It is with reluctance that I take the floor today. That is partly due to the fact that I find myself opposed to my beloved chairman. While I would not embarrass him by repeating things that were said yesterday, I know his heart is warmed by the tributes that have been paid him as a great legislator.

The State of South Carolina has contributed many distinguished men to the national service, but none has exhibited a finer quality of statesmanship or added greater luster to its fame. I make this personal reference to indulge myself the pleasure of a tribute to a dear friend. And yet, in all the 14 years we have worked together in this House he has never asked me to do anything that was not consistent with what I regarded as my legislative duty.

This is a matter of conscience. I was prepared to support some reduction in the request for mutual security funds. I determined in my own thinking early in the hearings, however, that the figures had been pretty carefully evaluated and that in view of continuing dangers the committee should consider proposals to cut with a sense of caution.

There are two reasons for my feeling that \$600 million of the \$1 billion cut should be restored. One is that this is



an authorization, not an appropriation bill, and I would like to leave to our skilled Appropriations Committee as much latitude as possible with a measure that is so vital. I do not labor the point because I am not sure they can find room for much reduction.

The President of the United States, who is not only the Commander in Chief but one who led us in the greatest war in history, regards the figure I have included in my amendment as a minimum. I feel we should yield to his judgment on this point. I am not abdicating my own responsibility. I have taken responsibility in past legislative differences for my own views which differed from that of the President of the United States. But in this area it seems to me we should give great weight to his recommendation.

He did not call the leadership on both sides of the House into conference a few hours ago for a pleasant conversation. It was only the sense of gravity about our Nation's security and the future of our freedom that dictated his remarks on that occasion. We all know in substance what was said at that time.

So I offer this as one of the principal reasons for supporting an increase in the amount as reported by the committee.

We just heard an address by a distinguished Member of the House, the gentleman from Texas [Mr. DIES], and we always listen with great interest to him. He speaks of the terror of the Soviet machine, and who can doubt that? But has my friend forgotten that since the end of 1947 not a single square yard has been taken from the free forces of Europe? And the chief element in that was, of course, the help we extended to our allies and our friends in this struggle for survival.

I know that \$600 million which I propose to add to this bill is a lot of money. But it should be considered in relation to the productiveness of the Nation. It is fifteen one-hundredths of 1 percent of our gross national product. If this should be a mistake we would have added but a slight strain on the tremendous capacity of our Nation to produce the sinews of defense. We are not engaged in war. We are engaged in building a deterrent to war. These efforts are justified on no other basis.

The President on January 11 released a statement that had the unanimous support of your delegation to the United Nations in the 10th General Assembly. We had prepared that statement not for publication, but some weeks after we sent it to the Department of State the President released it to the public with his approval. Our delegation included five members, all of whom had legislative experience, Mr. Merrow, of New Hampshire, and myself, representing the House, Senator Pastore representing the Senate, a former Member of the House, Colgate W. Darden, of Virginia, and Henry Cabot Lodge. Our statement pointed out that the Soviets are shifting from military threats to an economic emphasis and that to meet it we must prove what we have proved in the past, our superiority in this field. We ought

to welcome that shift. The question is, however, Shall we in changing our policy in order to meet a new threat, weaken ourselves in the military field? If the Communists find that we are weak now, where they have not conquered, they will move back into the military field and press for advantages all over the world.

Senator Vandenberg said one time that it will not help a man in a 20-foot well to throw him a 15-foot rope. And, that applies to this situation. It is better to err on the side of the larger amount than to go in the other direction. I have praised the chairman and other members of our committee for trying to find a place to save money, and that is something we owe to the tax-burdened people of the country, but let us, in acknowledgment of our grave responsibility, speak frankly to them. How much is our freedom worth? And, if we believe what the gentleman from South Carolina [Mr. RICHARDS] so eloquently said yesterday that the fight continues, then it seems to me that his logic leads to the larger figure.

I ask my friends on the Democratic side—and this is with no taint of partisanship—to remember that when we asked the people of this country to elect a Democratic Congress we assured them we would continue to act responsibly, and I cannot see how we can fulfill that commitment if we turn down a request from the Executive in the field of military operations where the issue is so grave, where the continuing crises demand firm action on our part. On that basis I support this larger amount, and I believe only in so doing we will assure those who are allied with us in this terrific struggle that this is indeed a fight to the finish. Not until the threat is ended will the United States cease to use its resources of every kind, its industrial, its moral, its intellectual resources in a struggle to put down the evil that we know exists in our world.

Mr. Chairman, we are passing through a tunnel. There is light ahead, and we must not permit any rocks to get in our way. I agree that a reevaluation of foreign policy should be made, and I will support such a measure, provided it is a legislative evaluation, for the primary responsibility is ours. But, I submit, that in any altered policy we will not reverse our movements. There may be a departure in this direction or that, but we will not conclude, surely, on the basis of achievements to date, that there has been anything essentially wrong in our policies of the past, our linking our resources with those who are identified with us in the fight.

Mr. BENTLEY. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. BENTLEY for the amendment offered by Mr. HAYS of Arkansas: On page 2, line 2, strike out "\$1,925,000,000" and insert in lieu thereof "\$1,425,000,000."

Mr. BENTLEY. Mr. Chairman, I think we are getting all the facts before the committee at the present time. My good friend the gentleman from Arkansas [Mr. HAYS], whom you just

heard speaking so eloquently, has offered an amendment to increase the amount for military aid above the committee figure by a total of \$600 million. The substitute amendment which I have offered would decrease the committee figure for military aid by an additional one-half billion dollars.

Now, Mr. Chairman, I think if we are willing to support the cut that the committee so wisely made, in my opinion, of \$1 billion, we can find just as much justification for a cut in military aid of \$1.5 billion. In the first place, I think we should all realize that what we are being called upon to decide and consider and deliberate on today is nothing more or less than an interim program. Now, we have had ample testimony, I believe, before the committee, and it has also been said here in the well that we have in the pipeline, particularly for military aid, sufficient money for at least 2 years.

We have heard a great many of the distinguished gentlemen say, especially yesterday, that we have got to keep the pipeline built up, we have got to keep the goods flowing through the pipeline. Mr. Chairman, 2 years from now, when the present pipeline will expire, we do not know now whether we will then have a pipeline or in which direction it will be going. That will depend upon the results of the review and the reappraisal and the reevaluation which I think we are all agreed upon are necessary. But we do have a 2 years' supply in the pipeline, and, taking that fact and the fact that nobody knows 2 years from now where the pipeline will be going, whether in military aid or economic aid or no aid at all—taking those facts into consideration, I maintain that it is ridiculous to expand the present pipeline, as the administration is asking us to do.

Mr. Chairman, I should like to call attention to the members of the committee to the supplemental views on page 97 of the committee report, signed by myself and the gentleman from Alabama [Mr. SELDEN].

In the second paragraph we state that—

According to the Joint Committee on Non-essential Federal Expenditures, the program's unexpended balance as of July 1, 1956, will be about \$6.6 billion.

The expenditures which the administration contemplates, the new authorizations which it requests, would result at the end of the next fiscal year in a total of almost \$7 billion, which would mean a net increase in the pipeline of about \$400 million.

I maintain that that is ridiculous. If we are going to put our emphasis on military aid, then let us come out and say so. If, on the other hand, we are considering a possible shift from emphasis on military aid to emphasis on economic aid; if we are prepared, for example, to try and achieve more peaceable relations with the Soviets, as the exchange of visits of the Air Chiefs of Staff would seem to indicate, as the proposed exchange of visits of the Secretaries of Defense that I read about would seem to indicate, then why this emphasis on military aid? Are we talking peace



on the one hand and militarism on the other? That I cannot understand.

I should like the committee to accept a few figures for comparison. These are the figures that the administration has asked for. The figures that the administration wants in this foreign aid program would be 6 times as much as the Federal Government is currently spending for highways; twice as much as this year's outlay for farm price supports. It would pay the operating expenses of all the regular departments of the Government for almost 3 years. It would come close to the annual cost of veterans' aid and benefits. It is about 4 times the amount being spent on flood control, reclamation, public power dams and the development of the Tennessee Valley put together. Those estimates are from the December 30 issue of the U. S. News & World Report.

As I say, I think we are all agreed upon the necessity for a review and a re-evaluation of this program. I think we have ample funds at the present time to keep this program going during the interim period, during the review period. But I maintain that it does not make sense—at least to me—to increase this program, as we are being asked to do—nearly twice the amount that we appropriated last year—when we are going to be considering the direction in which the program should be going. We do not even know whether the emphasis is going to be on military aid or not.

I strongly urge the committee to adopt my substitute amendment. I do not believe it will cripple the program. I believe the program has ample funds to keep it going for the necessary time. I think that the \$1.5 billion cut can be amply justified.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Arkansas [Mr. HAYS].

Mr. Chairman, first I want to say, not facetiously, that I hope the reporters and others will get it clear that it is my good friend the gentleman from Arkansas [Mr. HAYS] who is sponsoring this increase and not HAYS of Ohio.

I think this is the first time in the seven and a half years I have been in Congress that I have come down in this well opposing any sum of money, even as much as a dollar, for foreign aid, but I certainly think the committee was justified in the cut it made, and I think it would be an error if we increased that amount here on the floor.

The committee held hearings for I am sure it must have been all of 2 months, and there were many, many, executive sessions, and this matter was pretty thoroughly thrashed out in committee. We had much more information than we can possibly get here on the floor.

I think the distinguished gentleman from Arkansas made one point which probably ought to defeat his amendment, if nothing else, and that is, he said that the Soviets are shifting from the threat of war to economic penetration. And what do we propose to do? We propose to meet that by increasing the military appropriation.

Most of the free nations of the world are more interested in strengthening

their economic foundations at the present time than they are in having more weapons which may be antiquated and outmoded by the time, if the time ever comes, that it is necessary for them to use them. So what do we propose to do? We propose to put guns into the hands of people that do not have enough food in their stomachs, and then we propose to close our eyes and say that they will be on our side when the showdown comes. I do not know how much more you can delude yourself than that, but it seems to me that is going pretty far.

The people on my left need not listen to this, but I should like to talk a little political sense to my friends on my right. Much is being made of the fact that the President wants this cut restored, but if you have half as much imagination as I have, you can see his face on the television this fall, with that famous Eisenhower smile, saying, "Give me a Republican Congress to put through the legislation I want." But do not forget that the cut we are proposing to restore came from his own side of the House. I heard him say it in 1954, after I had been down in the well defending his program a half dozen times. So if there is any political value in the thing, you had better think it over a couple of times before you think you are on the right side politically, if there is any political merit in this.

I would ask you another thing. I would ask you to check your mail. If you can find a single letter in the mail that has come in asking you to raise this amount, any of you, I would appreciate your bringing it around, because I have gone over my mail thoroughly, and I cannot find the first one, but I can find plenty of them asking us to go slow and be modest and be moderate.

They talk about filling the pipeline. The military testified that the pipeline is full for 2 years. If you can believe half the propaganda the Pentagon puts out, they are going to have so many new revolutionary weapons they say they cannot even talk about coming into effect 2 years from now that anything they are going to order now will be obsolete.

I just wonder how the military can say, "Well, last year \$3 billion plus was enough, but for 2 years from now we are going to need \$5 billion," when they say and the proponent of the amendment says that the trend is away from the military to the economic. There is some twisted logic in there somewhere.

I just want to tell you something else. I do not know. This came up to our committee as unclassified information. Somebody has probably classified it by now. In all the voluminous stuff they sent up we found the sum of \$75,000 to set up the beginnings of military assistance groups in two Arab countries that do not have them now. Get that. Pay attention to that. Military assistance groups to two Arab countries in the Near East. Somebody on the committee staff caught that, and the Pentagon was queried. This will shock you, I think. Do you know what the Pentagon said? "We don't know how that got in there. That was a mistake."

The Pentagon said, "That money for those two Arab nations was a mistake. We do not know how it got in there."

Now, did any of you ever send anybody a check for \$3,000 for an automobile that you did not buy and when the agency called you up and asked you about it say it was a mistake? I know I never did.

I was talking only on Monday of this week to General Gruenther, and he was asking me to do what I could to restore this cut. I told him he was talking to the wrong person. I said I am opposing any more money than what the committee reported out. In other words, I am standing for the cut. I said, "One of the reasons I am standing for it is because the Pentagon does not level with the Congress." Do you know what his answer was? He said, "I cannot defend the Pentagon system of bookkeeping." I think General Gruenther is a great general. I consider him a friend of mine. I am sorry I cannot go along with his request, but I think it was significant when he said, "I cannot defend the Pentagon system of bookkeeping." Who in the name of heaven can defend it? Yet the Pentagon, who can make a mistake by proposing to send money to two Arab countries in which we have never had military-assistance groups, and I hope we never will, if they can make that kind of mistake do we need to say that they are infallible, when they say they need six or seven hundred million more than the committee proposes to give them? That is the fundamental question. In spite of all the speeches you will hear pro and con about it, that still remains the fundamental question. Can they effectively use the money, and what do they propose, effectively, to do with it, and should we give them an increased amount when it is said the shift is to economic problems?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HAYS] has again expired.

Mr. JACKSON. Mr. Chairman, I move to strike out the requisite number of words, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? There was no objection.

Mr. JACKSON. Mr. Chairman, I voted in the House Committee on Foreign Affairs to report H. R. 11356, and I will support the measure in passage through the House. The decision to do so has not been an easy one in spite of the substantial cuts in the authorization made in committee. However, and on balance, I see no constructive alternative to support of the measure at this time if military and economic chaos is to be averted in a dozen lands. I do feel, however, that I would be remiss if I did not at this time make certain observations relative to the subject of our international efforts to assist others.

My principal concern with the general subject of foreign aid is not related to its dollar magnitude, but to its announced purposes and to the failure of the program to achieve the ends for which it was originally designed. The peace of the world and the welfare of those peoples allied with us in an effort to resist the cruel domination of the Soviet rulers cannot be measured in terms of dollars and cents, and any effort to relate freedom to the capacity of the United States



Treasury is bound to bring frustration and confusion to the debate upon and the implementation of any program.

Friendship in its highest expression connotes a sincere regard both as between individuals and nations alike. Inherent in friendship is a mutual purpose tenaciously pursued, together with a common regard for certain principles in life. In our own national history this mutuality was best expressed by the framers of the Constitution who, with but a single purpose and out of dissension and bitter controversy, welded together the individual parts of the Constitution into a coherent and magnificent whole.

In the world of today as it is affected by the impact of our assistance efforts, military and economic, there exists in large part dissension and controversy, unleavened by the common purpose save as the law of self-preservation operates as an expediency. Into this conflict of national interests—into a vacuum of selfish concern—this Nation has poured billions of dollars, sometimes wisely and, on many occasions, injudiciously, in an effort to compound an amalgam of spirit, international in form, dedicated to collective effort and to the security of that portion of the earth outside the orbit of Soviet influence.

The tragic truth attendant on our efforts is that only a few of the many peoples we have attempted to aid have returned our investment with the currency of good will and cooperation. In other quarters we have been repaid with invective, envy, and the sullen disquietude that has always marked the relationships between the eager giver and the reluctant receiver.

Further, our course of action has been one which has served to confuse our own people and those abroad. We have not well distinguished between proven friends and those who have given every indication of a neutrality benevolent to our only possible foe. For many years we have stressed that the granting of assistance to any nation did not carry with it the requirement that a nation need necessarily adopt or even approve the American system of free, legal, and competitive enterprise. I do not accord with the idea inherent in our aid programs, that we can make America stronger by lending aid to socialism abroad, but this we have done and continue to do throughout the world. We have relaxed our insistence that allies receiving aid under the provisions of the Mutual Security Act refrain from trading with the enemy, on the plea that the economies of the countries concerned are dependent, in large part, upon the marketplaces of the Soviet world. We may expect to hear more on this score when the advocates of admission of Red China to the United Nations become more voluble on the subject than they dare to be at present.

Bookkeeping procedures in the MSA have become so involved that a mathematician of the keenest intellect cannot burrow through the maze of figures to arrive at the truth relative to pipeline deliveries, offshore procurement, infrastructure, lead time, carryover, and many another complex phase of the op-

erations. The Comptroller General of the United States literally admitted the inability of the General Accounting Office to keep pace with MSA fiscal matters, in testimony before the Senate Committee on Foreign Relations 2 weeks ago. What is the average Member of the House or of the Committee on Foreign Affairs to do in a situation which is so vast and confused that the trained accountants in GAO cannot keep pace with the past, current, and proposed expenditures?

It is contended that military aid to foreign countries is an integral part of our own defense activities. If the program is to be justified before the people of this country, this must necessarily be the case. Many of us believe, and the majority report expresses the wishful hope, that military funds provided in MSA appropriations in future years will be included in the Defense Establishment budget. In that way, and only in that way, can the various remaining items be properly titled and considered by the Congress. However, those who vote against H. R. 11356 will, in effect, say to Turkey, Korea, the Republic of China on Taiwan, Spain, and others who have brought determination to the fight, that we propose to leave them to the mercies of our mutual enemies. This is the unfortunate aspect of the choice each member must make. Can we afford to relinquish all military and economic interest in the Republics of Latin America? Granted that some of our allies have brought no spirit of determination to the global conflict, can we afford to let the willing and determined fall prey together with those of little or no stomach for a possible conflict?

I have weighed the matter carefully in my own mind and have reached the conclusion that I have no alternative but to support the measure now before us. The consequences to be reckoned are too great to be lightly considered. However, the Congress can and must look to the future of the program and bring to our assistance effort a degree of realism heretofore sadly lacking. We cannot, for an unpredictable number of years, continue to underwrite the national experiments in global socialism now being undertaken in many lands. As the Socialist theories in practice sap the productive capacity of a people, so does socialism sap the national will to rise to unforeseen emergencies and dangers.

We should expand our efforts within the Western Hemisphere to the end that those nations which are cast with us in a common geographic mould may be enabled better to resist the lures of the Soviet Union. The red flames of Communist aggression were checked in Guatemala before they could spread to other republics, but we should not await the sound of crackling flames elsewhere in our hemisphere before reaching for the extinguishers. The provision of \$5 million in additional aid for Guatemala is constructive and designed to indicate to the people of that country that not only are we concerned with the blaze until such time as it has been extinguished, but that our friendship continues through the burdened period of reconstruction.

The so-called neutrals—those nations who appear ready and willing to play off the aid of one country against the promises of another—should be promptly informed that the United States does not intend to be one of the pawns in an international chess game, where the Soviet holds the major pieces. Nationalism, neutralism and diplomatic guile are poor offerings to bring to the table of collective security.

H. R. 11356 should be passed; not because of its defects, but in spite of them. The world and its peoples, friends and foes alike, will interpret the vote on this measure as an indication of the collective thinking of the American people in the era of the Khrushchev-Bulganin smiles. Circumstances have combined to force many to vote for a measure which may well create new envy, new indecision, new hatreds, and new problems. But it will serve to indicate no letdown on the part of the American Congress in our true allies or in the assessment by the Congress of the new Soviet tactics.

Mr. PILCHER. Mr. Chairman, I rise in opposition to the Hays amendment.

Mr. Chairman, it is very seldom that I come into this well, but I feel so deeply on this subject I have to say something in defense of our chairman and in opposition to the pending amendment. I am not a lawyer, but I believe I am a pretty good bookkeeper. I have supported foreign aid and mutual security for years before I came to Congress. I made speeches all over my district for it. If I thought that cutting this bill, as the committee did, would in any way jeopardize the defense of this country, I would not rise in opposition to the Hays amendment. But after listening to these hearings for 2 months, after studying the testimony of all of the witnesses, I can tell you truthfully that this cut of \$1 billion will not jeopardize the defense of our country one single dime. To restore this cut is a direct repudiation of one of the finest men I have ever known.

DICK RICHARDS has fought for this program over the years. He has been a Member of the House for a quarter of a century. Ever since mutual security started, he has fought for this program, both in Republican and Democratic administrations. So far as his knowledge of the program is concerned, and so far as knowing where this money goes or whether they need it or not is concerned, in my opinion, he knows more about it than even the President of the United States, because his information comes to him from other people.

Recently we voted \$34 billion for the Defense Department. They have \$6 billion in the pipeline and approximately \$3 billion more in this bill. I cannot understand why we want to add more money to this program when the farmers all over the Nation are going broke, when small business is going broke, when taxes have reached the saturation point, when even the administration itself admits that a new study has to be made of this program.

You have heard much of what the Comptroller General said. Here is just one statement in reference to what he



said before the Foreign Affairs Committee:

Comptroller General Campbell told the Senate Foreign Relations Committee over-optimistic foreign-aid planning has resulted in appropriation of more money than could be spent.

One result, he said, is that the Defense Department is holding at least \$400 million in foreign-aid funds in violation of the law. That money, Campbell said, should revert to the Treasury.

"Two main factors," Campbell said, "contribute to 'overprogramming' foreign aid." He said the International Cooperation Administration "apparently does not consider realistically the available resources and capabilities of both the United States and individual recipient countries." He also said "there is sometimes a preponderance of political over economic and financial considerations in determining the level of country programs."

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PILCHER. I yield to the gentleman from Iowa.

Mr. GROSS. And the Comptroller General in his testimony before the Senate Foreign Relations Committee said that this represented unpaid obligations, overstated as of June 30, 1954. Does the gentleman know whether this \$400 million is still being held by the Pentagon?

Mr. PILCHER. No; I do not.

Mr. GROSS. This money is held in violation of the law. I should like to hear someone here today tell us whether this \$400 million is still being held by the Pentagon in violation of the law.

Mr. PILCHER. Well, if this cut is restored, it is going to put a good many Members like myself in a position of having to vote against the entire bill. That is something I did not think I would ever see, but I cannot conscientiously go back to my people, with the condition they are in, and appropriate more money, I know, than they can spend or need to spend.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the Hays amendment and speak for the amount of the bill for foreign military aid as the Foreign Affairs Committee has reported it.

I disagree with my good friend, the gentleman from Arkansas [Mr. HAYS], as I believe that we have looked this bill over thoroughly in committee. The committee by a vote of 24 to 4 reported out this bill in this amount after 6 weeks of thorough hearings. That is the first point.

Secondly, as to \$1 billion of the proposed cut of \$1,109,000,000 in the Foreign Affairs Committee, it was my amendment, which certainly places on me as well as the other members, a real responsibility to justify our action to this House. I have certainly tried to keep my amendment out of politics, and have even gone so far as to not make the original announcement but requested the chairman of the committee, the gentleman from South Carolina [Mr. RICHARDS], who supported the amendment, to make the announcement. So, I disagree with the gentleman from Ohio [Mr. HAYS] who would like to make it possibly a matter of political capital or to have some effect upon the coming election in November. Politics should not be any consideration

whatever when the security of our country is involved.

This amendment has been bipartisan in origination. It was sponsored by myself originally and was adopted by the committee, but there were other amendments proposed by members seeking to cut the proposal by various amounts. So, this has been a committee action rather than an individual or a political or partisan action.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Texas.

Mr. DIES. I dislike very much to interrupt, but the gentleman from Arkansas made the statement that since 1947 the Communists had not been successful in their aggression. He forgets Indochina. More Indonesians vote Communist than any country outside of the Iron Curtain countries. He forgets what is happening in Egypt. And I just wanted to correct that statement, because the gentleman is simply mistaken.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. If I did not say in Europe, I intended to.

Mr. JUDD. The gentleman did say in Europe.

Mr. HAYS of Arkansas. That is correct.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Minnesota.

Mr. JUDD. I think the gentleman does not want to give the impression that the committee voted 24 to 4 for this cut of \$1 billion. That vote was 18 to 11. We all voted 24 to 4 to report the bill out in the form it was in in the hope we could amend it and increase the amount. But, the vote to cut was 18 to 11. Is that not correct?

Mr. FULTON. Yes, that is right. The committee, by a vote of 24 to 4 adopted this amount in voting to report, in order to get the bill to the floor, although the original vote was 18 to 11 on the amendment as amended.

The serious question comes, Why did we make the cut? We made the cut because we thought the proposed amounts would be wasting money, unless a thorough resurvey of the foreign aid program be made in the light of fast changing world conditions. I cannot tell you the procedure, because it is secret, but this cut reduces the proposal to approximately the amount that was originally requested by this agency for this fiscal year; and the figure was later increased.

We should not speak of this as a cut because last year the appropriation for this foreign aid was \$2,730 million. This year the Foreign Affairs Committee is increasing the amount in this program by approximately \$800 million. Even with my cut of \$1 billion in this bill there is approximately \$3,500 million of new funds for fiscal 1957 for the foreign aid program. That means that the committee is actually increasing the program \$800 million for the coming year. I feel there is some increase due. But

how can the people who propose a further increase, such as my good friend from Arkansas [Mr. HAYS], reconcile that with the fact that the Secretary of State and the President now say that our foreign affairs are in much better condition this year than they were last, and each succeeding year in this administration they have been better; but now all of a sudden the International Cooperation Agency wants a \$2 billion increase in the foreign aid program over last year, largely for military items?

We on the committee have felt that this program is long overdue for a thorough resurvey and reexamination. My position is this. I admire Gen. Al Gruenther very much. I have full confidence in him. I want NATO kept. I would not in the least hurt it. But we should be careful of getting the reputation of throwing money loosely around this world. It hurts the program. When the administration resurvey has been made, there is ample time to request Congress for further consideration, and I certainly promise my full cooperation.

When we cut previously, this House sustained the committee in spite of dire predictions that we were ruining the country and that world affairs would be pulled down around our heads, this program has developed and developed comparatively well.

Let us look at the items in this \$1 billion cut. First there is \$400 million concerning which testimony was had before the Senate Foreign Relations Committee from the Comptroller General of the United States.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(Mr. FULTON asked and was given permission to proceed for 3 additional minutes.)

Mr. FULTON. Comptroller General of the United States Campbell, before the Committee on Foreign Relations of the other body, said that \$400 million of these funds should be returned to the United States Treasury as these funds held over from previous years, were being held illegally by this agency, the International Cooperation Agency. In addition, there is no question—and I can say it, I believe, without any fear of contradiction—that there is \$190 million that is held over from the current 1956 fiscal year that is not even planned for or obligated. The Agency could not reasonably find a program to put it in, so they had that amount left over, and are to be congratulated for saying so.

Mr. Chairman, as you know, a year or so ago the Committee on Appropriations came up with evidence of faulty bookkeeping. The gentleman from Louisiana [Mr. PASSMAN], said here yesterday that they turned up \$500 million as an item of faulty bookkeeping in the Department of Defense. Yes, and last year we on the Committee on Foreign Affairs heard the Department of Defense say to us that there was \$145 million in a kitty that the Department had simply held in this foreign-aid program as a revolving fund. It was my amendment that cut that \$145 million out. The committee adopted it and this House sustained that



cut, even though the other body had already approved a higher amount.

Mr. Chairman, if you will recall, in previous years we on the committee have likewise cut this bill and it has not hurt. For example, in 1952, May 21, here on the floor I said:

We on the Foreign Affairs Committee have already cut the administration's figure by \$998,900,000 for foreign aid.

That was under Harry Truman. But what do we do when the Presidents themselves disagree? For example, Harry Truman stated he wanted \$7,600,000,000 for the next fiscal year for foreign aid in his request just before President Eisenhower took office.

President Eisenhower came in and reduced the request for the first fiscal year in his term by \$1,772,000,000 to a figure of \$5,828,000,000. We on the committee then asked the Mutual Security Administration under Stassen to explain this proposal to us; many of us on the committee felt even that figure was high. Stassen himself voluntarily cut out \$354 million and we on the committee again cut the request. The committee that year adopted 3 of my amendments of \$100 million apiece, totaling \$300 million, so we have respected our responsibility to the United States taxpayers in our deliberations on the Foreign Affairs Committee. We on the committee that year cut the proposal \$476 million on top of Stassen's cut.

We say to you that we on the House Foreign Affairs Committee have examined and worked with this program. We have supported it. This is the eighth year that I have argued for this program, beginning with the Marshall plan. We have investigated these countries. We have looked at it in detail. When we say to you, "Resurvey this program for the next 6 or 7 months," and to the administration, "Come back here in January after a resurvey and we will hear further your request for the money," that is not asking very much. As the gentleman from South Carolina [Mr. RICHARDS], the chairman of the committee, has said, at this moment in the foreign-aid pipelines there is enough money to run this program for 2½ years without another cent being added.

I urge the House to sustain the Foreign Affairs Committee in its decision on this legislation, and I heartily support our chairman, the gentleman from South Carolina [Mr. RICHARDS] in his stand for the cut of \$1,109,000,000 in the proposal, pending a resurvey and reevaluation of the United States foreign-aid programs abroad.

Mr. FLOOD. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Arkansas.

The clerk read as follows:

Amendment offered by Mr. FLOOD to the amendment offered by Mr. HAYS of Arkansas: On page 2, line 2, after "exceed", strike out "\$1,925,000,000" and insert "\$2,925,000,000"; and on page 2, line 4, strike out "\$402,000,000" and insert "\$589,500,000."

(Mr. FLOOD asked and was given permission to proceed for 5 additional minutes.)

Mr. FLOOD. Mr. Chairman, not long ago a great and distinguished Amer-

ican said that politics should end at the water's edge. I believe, having had my friends to the right encourage my friends to the left in my presence here during the Roosevelt and Truman administrations to believe this, that it is only fair under these circumstances that I join with my friends on the right in asking you on the left to do it today, and at the same time ask my friends on the left to join with me in asking my friends on the right to see how consistent both sides can all be after the last 8 years of discussing these foreign aid bills. Just where do both of you stand? My amendment gives you the opportunity to see how much you value the jewel of consistency on this program.

I have listened to my very dear friend from Arkansas [Mr. HAYS] and I agree with everything he said up to the point of his amendment, and for precisely his argument. This cut as requested by the committee cannot be supported and for precisely those reasons the President's request should be met by the House.

Several speakers here today and yesterday want to do this in dribs and drabs, take a little bit here and a little bit there.

Not long ago in one of these historic and classic debates on the farm bill—God save the mark, at least this is not the farm bill—one of my farmer friends told us about the farmer and his cow. The cow was eating too much hay and the farmer decided he would teach the cow not to be so expensive, so he reduced the hay for the cow day by day, year by year. Finally he had the cow down to a couple of handfuls of hay a day, just as you are doing, or want to do. Well, it worked out very well. He had a very economical cow, but the cow died.

Now you want to cut this established program at a period of time when you say the world is in danger and you bate your breath to tell me how evil the world is. There is no sign that military tension is lessening, none at all. Quite the contrary. My friends to the right say, despite what my friends to the left say, "There is no peace in the world." Well, if there is no peace in the world, in Formosa, in Vietnam, in the Middle East, if all the things you say are true, then how can you touch military aid to Pakistan, military aid to Laos and Cambodia and Turkey? How can you do that? How can you touch military aid if you say there is no peace in the world? You cannot blow hot and cold in the coming campaign or out of it. You cannot have it both ways. You cannot vote to cut military aid and then go to this campaign and say, "These fellows are wrong. The world is not at peace." Remember the record will show that vote.

As for you to the left—well, well, well. I stand here asking you to back your President.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I cannot yield just now. I stand here asking you to follow the great general, the recognized expert on military affairs. As a member of the Defense Appropriations Committee, I stood in the well of this House and went

the limit and more to back your President on military and defense matters. I asked you to give more for B-52 bombers. I told you what the Chairman of the Joint Chiefs said. I told you what the Joint Chiefs of Staff said. I told you what the Secretary of State said. Now I come here and I give to you the plea, I give to you the request, I give to you the sincerity, ability, skill, and leadership of General Eisenhower and of President Eisenhower, in this field. Do you dare substitute, in view of what you have said—do you dare to substitute your unskilled opinion in view of what you say to us this day for purposes other than the welfare of the Nation, for purposes other than the opinion of your leader, our President, do you dare cut in military and economic aid to the request of the President of the United States who, by the Constitution, sets and leads our foreign policy?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I will not.

If I am the only man in this House who votes to support the President of the United States under these circumstances at this time on the foreign-aid bill, I will cast that vote. I see no reason why you can substitute one opinion for another. They tell me that there are deodorants of various kinds, but they have nothing to cure halitosis. They merely substitute one odor for another.

Mr. GROSS. Will the gentleman yield?

Mr. FLOOD. If I can get more time, I will yield interminably.

Mr. GROSS. Right now?

Mr. FLOOD. Not at this time.

Now I say, Mr. Chairman, that when I defended the appropriation bill for the Department of Defense I said I would support the President's request in the foreign-aid bill for military and economic aid. What you are doing if you support a cut, you are in effect cutting billions out of the defense budget, in ratio, under this act. Nobody in this House would cut the defense appropriation bill \$10 billion. You are doing that here. The reason the defense appropriation bill was not billions more than it was, the reason we did not have a bigger bill for defense, is because of the President's military-aid program—this program.

Now what do you do? Do you want to cut 6 inches off the bottom of a blanket and sew it on the top because the blanket is not long enough? You cannot have it both ways. You refused to increase the defense appropriation bill. Now you want to cut this one. Yet I have it, upon the authority of the President who leads foreign policy, I have it upon the authority of General Gruenther who now leads NATO, I have it upon the authority of General Eisenhower who established NATO, that this bill is necessary as he brings it up, necessary to the national security, the general welfare, and safety of this Nation. And do I understand that this House in 1956, after only 6 weeks of hearings, will deny the President and his military advisers, and I love my friend from South Carolina, I served when I first came to the House on his committee, and whatever knowledge or



skill or awareness I have of the subject I learned at his feet, and my heart is heavy with yours when he leaves us this year. But even he could be wrong; even I could be wrong. But I am not wrong this time; that is the difference.

Mr. FULTON. Mr. Chairman, will the gentleman yield at that point?

Mr. FLOOD. That is a good time to ask me to yield. Even I must yield at that point.

Mr. FULTON. In the gentleman's figure there is, of course, military aid for Yugoslavia. What does the gentleman think our Italian friends think of building up further military establishments in Yugoslavia, their jet-plane program, giving them one of the largest jet-plane squadrons in the world? Is the gentleman in favor of that?

Mr. FLOOD. I suggest the gentleman address that question to our Italian friends, not to me.

Mr. FULTON. It is in the gentleman's amendment. I wonder how the gentleman felt about it.

Mr. FLOOD. I love my Italian friends; I have thousands of them in my district.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield.

Mr. CANFIELD. If I am not mistaken there is going to be an opportunity later in our action on this bill to meet this Yugoslav question.

Mr. FLOOD. There will be, and there will be an opportunity later when we come to page 3. I propose to offer an amendment to restore the cut, \$100 million, to give the President the right to use his discretion in the exercise of this fund for the Middle East, Africa, and Asia.

Mr. Chairman, on May 25 last the Committee on Foreign Affairs reported out H. R. 11356, the Mutual Security Act of 1956, which authorized the appropriation of funds to carry forward the program during the fiscal year 1957. The report of the committee contains some very interesting language and some conclusions which I believe to be unwarranted.

The committee reported:

This is a bill to implement the foreign policy of the United States.

It said further that all of the mutual security programs "are designed to promote the security of the United States and of the free world." In addition the committee said that "we should continue the program and strive continually to improve it."

For these very same reasons the President had recommended the appropriation of \$4.8 billion of new funds and a carryover of old funds to make a total mutual security program of \$4.9 billion for the fiscal year 1957.

Of this nearly \$5 billion, \$3 billion was for mutual defense assistance in the President's request. Mutual defense assistance is usually referred to as military aid. It consists mainly of weapons and training which are supplied to our military allies and partners. The Committee on Foreign Affairs said: "The sums authorized in this bill for military purposes are for the defense of the United States" and yet it cut the President's request for military aid by one-third.

Nobody in this Chamber would think of cutting 30 percent out of our domestic defense budget—of reducing defense appropriations by more than \$10 billion—and yet such a meat-axe approach has been taken in that part of the United States military program which is concerned with other nations.

Everyone who has studied the subject of military assistance, so-called, has come to the conclusion that this is one of the most effective, cheapest, and best ways to advance the interests of the United States in military security.

We all know that there are various strategic spots around the world which must be held if the United States is to be secure. Do we serve our country better by drafting American boys to hold these spots or do we serve it better by helping other freedom-loving people to defend their own soil, and in defending it, to defend us, too?

Does anyone think the military threat to the United States and its partners has departed? Has the capacity of the Soviet or the Chinese Communists to launch an aggression diminished?

There is talk of sweetness and light from Khrushchev and Bulganin and we hear reports of alleged cuts in the Soviet military machine. Even should the reported cuts in manpower prove true, this does not mean that the capacity of the Soviet machine, or the firepower it can bring to bear, has gone down one bit.

We have been told in our own country that it is possible to get a "bigger bang for a buck," that with reduction in the numbers of our Armed Forces, we are actually stronger than ever. I take it the same reasoning can be applied to the Sino-Soviet bloc and that, even with less manpower, they are able to produce "more rubble per ruble."

I have heard it said that the President's request for military assistance funds should not be granted in full because there is a vast backlog of unexpended funds. I would remind the Members of this House that the backlog of unexpended funds for military assistance is at the lowest point in recent years. I would remind them, also, that a worldwide cooperative military program involving scores of sovereign nations cannot work if one partner tries to turn it on or off like a garden hose.

Decisions on the levels of Armed Forces needed to defend strategic locations, decisions on what it takes to equip and maintain those forces, decisions on how the bills are to be paid, decisions as to what the United States will do, decisions on committing military-assistance funds—in other words, ordering the necessary equipment, waiting for it to be produced, and then seeing that it is delivered to our allies—and then training allied forces in its effective use—this is a vast and complicated process and one that involves a great deal of time.

I mention the element of time because a stop-start approach or a slowdown approach to mutual security means that we have to use more time to get less results than if we were to go along with the President's request. I do not think we can afford the time nor do I think that we can afford, through inaction on our part, to weaken the free world mili-

tary alliance which has been successful, for 6 years, in deterring new military aggression by Communist forces.

The Committee on Foreign Affairs has recommended that slightly less than \$2 billion be appropriated, of which not less than \$48 million shall be available only for Spain and not more than \$402 million for military assistance to other European countries.

What would such a cut mean, especially to Europe—an area which the Secretary of State has characterized as so important to United States security that we even have United States troops stationed there?

If funds available for our NATO allies in Europe amount to only \$402 million, and were used entirely to make up losses through attrition, to pay for spare parts and maintenance, not even these needs could be met. Even worse, there could be no progress on a program for advanced weapons, a program which is considered to be important not only for reasons of military tactics, but also for psychological and political reasons.

Furthermore, if the funds for Europe were expended entirely for advanced weapons, there could be no upkeep on the immense investment already made in European defenses by the United States.

If the presently authorized funds were divided between the advanced weapons program and the maintenance program, neither program could advance and both would suffer.

We are told that some of our European friends hold an erroneous belief that the Soviet military threat has ended. Should we encourage them in that belief by cutting down the military program for Europe to the point where it cannot operate? Are we trying to hold the NATO alliance together, or to help it disintegrate?

Other countries for whom a major share of the military assistance funds are programed include Korea, Taiwan, Vietnam, Cambodia, Laos, Pakistan, and Turkey—each of them within clawing distance of the Dragon or the Bear. Are we in the business of encouraging individual weakness or are we trying to create collective strength? If we are trying to do the latter, I confess I cannot see how countries whose military strength depends upon arms and equipment from the United States can become stronger if the funds to pay for such arms are cut down by one-third.

The facts are that our worldwide expenditures in recent years for military assistance have been larger than appropriations. We have been depleting the reservoir of military aid faster than we have been filling it up.

Cuts can be made—there is no question about that. The question is, what will the effect? Let us not forget the fable of the man who thought his cow was eating too much and, in an effort to save money, started cutting down on the cow's food. Every day he gave the cow a little less to eat. Eventually, he was successful; he got the cow down to two wisps of hay per day. The success of this experiment in economy was somewhat eclipsed by the fact that when the cow got down to this money-saving ration, the creature died.



The other major cut in the President's request is a cut of \$100 million in economic funds available for the Middle East. The President had originally proposed a special fund of this amount for the area.

The committee consolidated the program of development assistance, the President's fund for Asian economic development, and the special fund which had been requested by the President for the Middle East. There can be no objection to the consolidation of the various funds, but are we wise in cutting down the amount available for the Middle East by \$100 million?

Here, in this area, according to all newspaper accounts, is the most volatile situation to be found anywhere in the world. Here the Soviet bloc is making a major effort of a nonmilitary character. Here the situation changes rapidly, and it is here that emergencies may arise or opportunities may come up which require fast and flexible action if advantage is to accrue to our side and not to the Soviet bloc.

The President had requested another string to his bow to help him carry out his constitutional responsibilities in respect to the foreign relations of the United States. By denying the President the \$100 million for the Middle East, the committee has, in effect, denied him this extra bowstring.

Not only did the committee deprive the President funds he had requested, but it also deprived him of an element of flexibility in the use of funds by requiring that all development-assistance funds be made available to other nations either in the form of loans or in the form of United States surplus agricultural commodities.

These mandatory provisions apply to the Middle East. Where the maximum discretion should be left to the President, should we tie his hands with inflexible legal provisions?

Where speed can be a decisive factor, should we guarantee that the United States cannot act with speed because of the need for lengthy negotiation about terms of loans or use of United States surplus products?

Mr. Chairman, I believe the interests of the United States will be promoted more effectively—and over the long run at less cost to the taxpayers—if we give to the President the funds he has asked for and do not burden him with legal provisions which hinder his ability—his duty—to act fast when fast action is required to protect the security of our country.

Mr. VORYS rose.

The CHAIRMAN. For what purpose does the gentleman from Ohio [Mr. Vorys] rise?

Mr. VORYS. Mr. Chairman, I rise in support of the Hays amendment and against all the rest of them.

The CHAIRMAN. The gentleman is recognized.

Mr. VORYS. Mr. Chairman, when I first heard that this bill provided over \$2 billion more for military aid than we had last year, I started to study how it could be cut. I think I have the best attendance record at the hearings of our committee of any member of the

committee except possibly our great chairman. I am supporting the Hays amendment, and I am against all the rest of the amendments because I feel quite confident that the executive branch can live with the Hays amendment but will be in trouble with any of the rest of them.

As to the Flood amendment, for instance, it has been found by the Defense Department that there is \$129 million of savings that can be made in the authorization. That is reflected in the request to the Appropriations Committee now.

As to the \$400 million that the Comptroller General said was illegally held over in June 1954, I understand he has not yet furnished supporting data to the Defense Department. Far more than that has been taken out of the Defense Department appropriations since then, not only by action of the Budget but by action of the Congress since then.

I had this chart brought in because it shows the way the appropriations have been going, where they took a great big dip here and the way the expenditures have been going.

We have made a reduction since 1953 in the annual expenditures. Remember, this is "part and parcel of our own defense," according to Admiral Radford and the Joint Chiefs of Staff. A lot of people think we are cutting our own defense expenditures too low, but in any case this administration has tried to hold down defense expenditures at home and abroad, and has done pretty well. We still need, however, a pipeline of expenditures in excess of \$2.5 billion a year to supply and maintain this program. But when we made the cut of nearly \$600 million last year we put a dent in the pipeline, and it was not because the Congress said the program requested was bad but because Congress wanted to punish the Defense Department for inaccurate bookkeeping. We made this \$600 million dent in the flow of the long lead items needed to keep this defense program going. This had to be added this year. Then when it was determined that we were to launch a program of \$530 million for advanced weapons—those are nuclear weapons we are talking about for this program—why, of course, that made an increase for this year.

So I went over the figures they proposed this year, as carefully as I could.

It is not \$6 billion, it is \$5 billion estimated to be unexpended by June 30. All but \$195 million is obligated, programmed, reserved, tied up in this program for various places all over the world. We have gone over the secret books telling where all this is to go; \$374 million of the program is for direct forces support. The gentleman from Ohio [Mr. Hays] said that we give them guns, but nothing to feed them. There is food money in direct forces support, for the forces in Korea, Formosa, and Vietnam, for food, uniforms and that sort of thing. As I shall explain, that cannot be cut.

I got in touch with the Defense Department when there were talks of cuts. I asked, "Where would you apply the cuts?" They said, "Of course, cuts

of the size you are talking about would require 5 or 6 months of reprogramming to figure accurately. We would have to go over the whole program in detail." However, they made the best estimates they could in the time available.

These are some figures they gave: \$255 million are for fixed charges, for shipping for our committed share of infrastructure for the costs of our military advisory groups in each country for some programs that cannot be discussed fully on the floor.

Even with a \$1 billion cut, direct forces support of \$374 million, would not be cut.

Here is the difference between the effect of a \$500 million cut and a billion dollar cut. Every one of these following items would be reduced by a \$500 million cut, but an additional cut of \$500 million would eliminate:

Seventy-five million dollars in spare parts to keep the equipment moving that we have already furnished;

Fifty million dollars in ammunition, for training and a war reserve;

Fifty-two million dollars in naval aircraft;

Ninety million dollars in naval vessels; and

Twenty-six million dollars in other materials.

Two hundred million dollars in advance weapons. That is the program that is so vital in an era of nuclear warfare where we have various sizes of nuclear weapons.

Even with a billion dollar cut training money is cut only \$7 million because of its vital importance to get these forces all over the world trained in the use of our equipment and in our methods.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Is it fair to say that regardless of the appropriation requested, the expenditure figure, which is really the guiding figure, is only \$500 million more in fiscal 1957 than in the current fiscal year?

Mr. VORYS. That is correct.

Mr. WIGGLESWORTH. Is it also fair to say that \$500 million is just about the amount that is allocated to the new advance weapons program which is considered so vital from the standpoint of the defense of the free world?

Mr. VORYS. That is right. We need more than \$2½ billion a year to keep this going. If we try to ride it out with what we have, we will have nothing for long lead items 2 years from now for advance weapons which we will not be able to procure even if we start now.

I have given an estimate of the weapons that will be cut, unless we restore at least \$500 million. I have not attempted to determine the countries that will be cut. The Defense Department has not done so. Those who vote for the cuts should realize that cuts will have to be taken off somewhere.

Where are you going to take off the billion dollars you are talking about?

For Europe there is requested \$760 million. It is said, well, we can cut a lot in Europe. You are going to have to cut there even with the Hays amendment.



The Near East request is \$471 million. Are you going to cut Greece, Turkey, the northern tier of countries, that are holding the line to the south of Russia? Asia is in here for \$1,066,000,000. Are you going to cut the forces of Korea facing the Communist build-up across the armistice line? They have 20 divisions in their army, the same as we have. Are you going to cut the forces in Formosa, and on Quemoy and Matsu? Are you going to cut the forces in Vietnam, or in Japan? Here are 4 places where peace exists merely by a cease-fire, and an uneasy cease-fire in every case. Are you going to let those Asians down? If you are going to make any of these cuts, you will have to take out part of the military money for these countries.

It will take months to refigure the final impact of any cut. I am relying on Admiral Radford, who knows something about it. Above all, on this program I am relying on a man who has been in this business, President Eisenhower. Since he led our forces to victory in World War II, he has been back over to Europe. He does not have the advantage that somebody has suggested of never having been abroad. He has been over there. He sat there in SHAPE headquarters and waited for weapons that the United States promised but did not ship. On some questions you can say, "Well, the President is ill advised; he does not know about it." But, we are talking about an old soldier who has served abroad in the mutual security program and who says we have got to have this as part and parcel of our own defense. Only 3 of you voted against the military construction bill, which includes \$780 million for overseas bases. Not a soul of you voted against our own defense bill, and we did not cut that at all. We make a great mistake when we attempt to be experts and fly in the face of the man who knows what he is talking about on this program more than anybody here. He has studied this, he knows and he says we need this for our security. So, I am supporting the Hays amendment and I am against the others.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell us how much the United States is contributing to the French to carry on their war in North Africa?

Mr. VORYS. Nothing.

Mr. GROSS. Nothing?

Mr. VORYS. That is right.

Mr. GROSS. Can the gentleman tell me how much of a cut he suggested in this bill, or did he suggest any cut to it at any time?

Mr. VORYS. Yes. Half a billion in committee, and I am supporting this cut, which is a \$400 million cut, because I think that cut can be handled based on the studies I have made, I have tried not to shoot in the dark, not to just make general estimates but to try to figure where we are coming out on this.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. The gentleman spoke of a breakdown of figures. Where in the committee hearings—and I have tried to go over them carefully—are those figures?

Mr. VORYS. The figures on what the cut would amount to were not in the committee hearing, because the Defense Department was presenting a program that did not involve any cuts. I have sought out and obtained those figures since then. I have put a part of them in the record. But, of course, the figuring on this sort of cut, these gigantic cuts, has not been made in advance.

Mr. CURTIS of Missouri. There is no breakdown of your appropriations.

Mr. VORYS. The Defense Department is before the Committee on Appropriations. Let us not forget what we are doing today; we are not appropriating a dime. We are just deciding whether we want to tie our own hands in advance as to what the Committee on Appropriations does. I think we better not tie our hands any tighter than we do with the Hays amendment.

Mr. COLMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was very much interested in the statements of my good friend, the gentleman from Arkansas [Mr. HAYS], particularly in reference to his most generous and fulsome praise of our distinguished chairman of the Committee on Foreign Affairs. I was wondering, when he was praising him, just what he had in mind, whether it was consistent to praise his good friend and distinguished chairman, whom we all love, from one side of his mouth, and from the other side at the same time say that we could not trust him in this instance.

In fact, I am thinking of a story that my good friend from Arkansas loves to tell, one that I am sure most of you have heard, but nevertheless I think very apropos under the circumstances. He tells a story about a man catching a catfish and he puts him up on the table and then he takes a butcher knife, and the catfish begins to wiggle around, and he says, "Now just hold steady, old boy." He says, "I ain't going to do a thing but gut you." I am sure that that is not exactly what my friend had in mind when he was praising the distinguished gentleman from South Carolina [Mr. RICHARDS]; but it amounts to the same thing.

Mr. Chairman, I came to this House the same year the distinguished gentleman from South Carolina [Mr. RICHARDS] came here. I have had the privilege of serving here with him all those years. I wish I had the time, in my own feeble way, to give you my own evaluation of him. But that is not really the point here now. The point is that the gentleman from South Carolina has served 24 years on the Foreign Affairs Committee of this body and has come from the foot of the committee table up to the head of the table, to become the chairman of this great committee.

I doubt that anyone has contributed more to the cause of our international relations than has DICK RICHARDS. It is true that he was not serving in another body where he would have had a better sounding board. Had that been the case

I am sure he would now receive the recognition he is so justly entitled to as the outstanding authority on international affairs. But the fact remains that for 24 years he has devoted his time and effort and talents and his good, sound judgment to a study of the controversies that have confronted this great country of ours in a controversial world.

I know what he is up against here. I know what you and I and the rest of us are up against here who subscribe to his recommendations in this matter. We have on the one hand the distinguished gentleman at the other end of the avenue who is asking for a restoration of the funds which he requested. If I understand the situation correctly, we have the leadership on both sides of the aisle in line with that request. It is a rather difficult thing to oppose the White House and the leadership on both sides of the aisle. But that has been one of the characteristics of this man RICHARDS throughout his long service here. Sometimes I like to compare him with another Richard, Richard the Lion-hearted—a man who has the courage of his convictions.

In fact, Mr. Chairman, I can truthfully repeat for the record here today what I have often said privately. Congressman RICHARDS has few equals and no superiors as a statesman in this House. He is truly a statesman in the proper sense of the word. He is a Democrat in party affiliation, but where the welfare of his country is concerned he is neither Democrat nor Republican. He is a patriotic American first. His conduct during the years of his service in this House has been of the highest order. That conduct here has been in line with his experiences on the battlefields of France defending his country. A high sense of duty, a fervent love of country, and an unwavering devotion to his family and his God have transcended party affiliation and a personal desire for political aggrandizement.

This together with his sound judgment, his fearless courage, and his gentle consideration of his fellow man has all resulted in the high esteem in which he is held on both sides of the aisle of this House.

If the pending amendment of the gentleman from Arkansas [Mr. HAYS] is defeated and with the great odds under which my distinguished colleague and friend is fighting, with the leadership on both sides and the President of the United States aligned against him, it will be because of the respect and confidence the membership of this House has in the distinguished gentleman from South Carolina.

Mr. Chairman, one of the great compensating factors that I have received as a result of my service in this body was the opportunity to know and be associated rather closely with my colleague from South Carolina. I am sure that I bespeak the sentiment of all when I say that the Congress and the country will suffer tremendously by the voluntary retirement of our friend at the end of this session. I join with you, my colleagues all, in wishing for him a deserved, contented, and extensive period



of retirement with his splendid family in his beloved hills of South Carolina.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(Mr. COLMER asked and was given permission to proceed for 3 additional minutes.)

Mr. COLMER. Mr. Chairman, I recognize the fact that the distinguished President of the United States, for whom I have a great respect and admiration, knows something about this situation. I recognize that the distinguished leadership on both sides of the aisle have a knowledge of this situation. I recognize that the military have a knowledge of this situation, but I make the statement without fear of successful contradiction that none of us know more about the true situation that exists in this controversial foreign field than the distinguished gentleman from South Carolina, who has devoted the major part, the better years of his life, to the one study of our foreign relations, while these other gentlemen have had so many, so multitudinous duties and problems to confront them and to solve.

Now, what has happened here? The gentleman from Arkansas wants to restore these funds, in the amount, I understand, of \$1,109,000,000. The gentleman from South Carolina, who is a great authority on this subject, wants to leave it as the committee reported it out. This is \$277,675,000 more money than we appropriated last year. I had hoped that somewhere down the line we would be able to taper off, but instead, apparently, year after year, we are increasing this foreign aid.

Mr. Chairman, in 1945, even before the beginning of this foreign aid under the Marshall plan, as chairman of the Post War Economic Policy and Planning Committee, I recommended that some financial aid be extended by this country to its less fortunate war-ridden victims of the Nazis. I thought then that some aid was necessary to aid those countries in rehabilitating themselves. For the first few years I supported this program, with reservations because of the gigantic sums involved. On several occasions I endeavored, by appropriate amendment, to cut down on what I regarded as unnecessary and stupendous amounts of the taxpayers' money. Failing in these efforts, for the past several years, I have opposed and voted my protest against the entire bill. What started out to be a reasonable program has grown into sums that were not, in my opinion, justified. In fact, since this program started, we have sent to these foreign countries more than \$50 billion. Surely, even this rich country cannot continue that program. Even the three billion dollars plus in this bill, without this amendment, cannot be justified. Therefore, regardless of the action taken on this amendment, I shall continue my protest by voting against the bill.

Mr. Chairman, at the risk of being boresome, I repeat again what I have stated on many occasions on this floor and elsewhere. The real danger to this country lies not in the fear of a Russian invasion, but in the destruction of the economy of this country by the continuous deflation of our currency and

reckless spending with the resultant destruction of our economy. Certainly, it is time for this Congress, the representatives of the people, to stop a little while, consider a little while, and take a true evaluation of our own situation. For, if we destroy our own economy by becoming too generous with all others, who will come to our aid?

Finally, I think that if we have learned anything out of this whole program, we have learned that you cannot buy friendship abroad anymore than you can buy it at home. I hope the amendment will be defeated.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

(Mr. McCORMACK asked and was given permission to proceed for 5 additional minutes and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, there is no question of the honesty of motive of any Member involved in the consideration of the bill today. Nobody questions the motives of any Member. So, we can rule that out. It should not be the subject of further discussion by any Member, whether they are for an increase or against the bill, or anything else. We are all sitting here as Americans, trying to do the best we can under the circumstances. We may have our different views, but where there is a difference we respect the views that everyone entertains. That is the spirit of America and that is the spirit of decency.

As I view the question, we are discussing a military question today. We are discussing something that relates to the national defense of the United States. There are some who honestly believe we should never have done anything in the past. I respect their views, but if we had not where would the world be today? We would probably be alone, with the world dominated by the Communists. I certainly do not want to see a Communist-dominated world. I would never admit that a Communist-dominated world could defeat my country, but I would not want to see my country placed in the position of having to defend itself against such a situation.

Politically, it is probably the best thing to vote against all appropriations. That is the line of least resistance. I can remember in this Chamber a few months before Pearl Harbor on the bill for the extension of the Selective Service Act, that it barely passed this body by a vote of 202 to 201. Politically it would have been better to vote against it, those who voted for it, and in all probability the 201 who voted against the bill were just as good Americans as I and the others who voted for the bill. But I have often wondered how they would have felt after Pearl Harbor if the extension was defeated by 1 or more votes, instead of being passed in this body by the thin margin of 1 vote.

So, we are discussing essentially something of a military nature. General Gruenther says we need \$600 million as a minimum. Are we going to disregard General Gruenther? President Eisenhower, who we all admit is a great military leader and who some of my friends

in the Republican Party say "I like Ike," in their district. But they vote against him in this Chamber—he is a great military man. He pleaded with us the other night. Nobody present at that meeting could forget the feeling that the President of the United States put into what he had to say about the importance of it. I asked the question that developed the fact that a minimum of \$600 million was necessary. That is how the \$600 million was arrived at. My friend from Massachusetts [Mr. MARTIN] will remember I asked "What is the minimum needed?" It developed to be \$600 million. The President of the United States is my President. He may be a Republican in politics but when he occupies the office he does, he is my President. We sat there as Americans and we are serving him as Americans.

This is a matter concerning foreign affairs and concerning the national security of our country. It was Senator Vandenberg who said "bipartisanship exits." I agree with him. We do not want to see it destroyed or weakened. Those who are voting for the \$1,100,000,000 cut—I do not say they want to weaken it, but I say the results will have a weakening effect. We do not want to take a chance. I would rather err on the side of strength than on the side of weakness. Let us not be deceived by the smile and the slap on the back by the Communist leaders. Let us realize there is tension going on behind the Iron Curtain. It is up to us to capitalize on those tensions. Let us realize that everything is not all happy behind the Iron Curtain. There are millions in the Soviet Union who have been indoctrinated for years with the fact that Stalin was a superman. I do not think they are going to take this campaign to destroy him very easily. It will create division in the minds of those people. They are not going to destroy him overnight; there are divisions there and we should capitalize on them to the fullest extent we can, bring about discontent, then division; that is the thing for us to do. Then the effect upon Poland. Ninety-five percent of the people of Poland hate the Communists. Lithuania, squelched out. Latvia, Estonia also—you do not hear anything about those countries, they are not given even satellite status. Probably 85 percent of the people of Czechoslovakia hate the Communists and are waiting for deliverance. They are waiting for America.

Those are the things we Americans can do, Mr. Chairman. We are making our contribution. History is being made. How? The future will tell. What we do makes our contribution, and we should grant the increase of \$600 million the President, the President of the United States, asks be restored. I am not thinking about bailing the President out in this matter; that is not in my mind; I am thinking about the national interests of my country as I view it.

The President says it is necessary; Gruenther says it is necessary; the Joint Chiefs of Staff say it is necessary. Who am I, a layman, to say that they are wrong? They are the men I must look to and that you must look to other peo-



ple also to lead our forces and defend our country in case of another war.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CURTIS of Missouri. If that is so where are the details that support these things? That is what I am looking for and that is what the Congress wants.

Mr. McCORMACK. Where are the what?

Mr. CURTIS of Missouri. The details to support the request the gentleman is making.

Mr. McCORMACK. The gentleman in his own time can tell what the details are.

Mr. CURTIS of Missouri. No, I am asking you.

Mr. McCORMACK. The gentleman can express his own views; I am expressing mine.

Mr. CURTIS of Missouri. I am asking the gentleman to tell me.

Mr. McCORMACK. The details of this? It means there will be a stockpile of nuclear weapons over there in those bases. It means that the B-47's which cannot fly from continent to continent can make 10 trips a month in case of attack—we cannot leave that out—instead of 3 or 4 trips a month otherwise by the B-54's.

There are six divisions of Americans over there, our own boys. The psychological effect of appropriating this \$600 million is going to be very great on the morale of our own 6 divisions over there if those monsters should decide to move, and you know they will do it if they think they have a chance to be successful.

Then there is Korea. Major General Bard the other day ordered the truce teams out. I do not know whether they will be kept out, but I hope he is supported, I hope there is no withdrawal from his position.

We know what the delegates from Czechoslovakia and Poland have been doing.

Secretary Robertson only the other day in a speech referred to what is happening in South Vietnam and the violation of the truce there by the Communists.

You and I know what is happening. This is a time for strength, this is the time to show firmness, if for no other reason than a psychological one. Frankly, I will support that amendment, and we as Members of the House charged with the responsibility that we are, if from no other angle than the psychological angle should realize how necessary it is to put back the \$600 million that everyone familiar with the military aspect says is absolutely essential and is the minimum amount in the national interest of our country.

I am not voting that money just to help some other country; I am voting for it because I think it is in the national interest of my own country, and I am doing it because of the national interest of my own country. I do not care whether the President who recommends it is a Republican or not; that is immaterial to me. The question is: Do I think it is in the national interest of my country? And I do.

The viewpoint of the President, whoever he is, will receive my serious con-

sideration; the viewpoint of the Joint Chiefs of Staff will receive my serious consideration; the viewpoint of General Gruenther will receive my serious consideration. Based upon the evidence I have before me, my conscience says to vote on the side of strength and not on the side of weakness. Therefore I hope the amendment increasing the amount by \$600 million will be adopted. I appreciate the effort of my friend the gentleman from Pennsylvania [Mr. Flood], but I think the best thing to do is to get behind the amendment offered by the gentleman from Arkansas [Mr. Hays].

Mr. MERROW. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. MERROW asked and was given permission to revise and extend his remarks.)

Mr. MERROW. Mr. Chairman, I opposed the cut in the committee and was in favor of providing the full amount for the mutual security program. In my opinion, the entire amount should be restored by the Congress and I hope it is restored.

I agree with preceding speakers that it certainly would be very disastrous to go below the amount provided in the amendment offered by my colleague from Arkansas [Mr. Hays].

I would like to draw attention to some figures in connection with our defense program. For the fiscal year of 1957 I call attention to the fact that expenditures were estimated by the President at \$65.9 billion. The purposes of these expenditures are as follows: 64 percent for protection, 21 percent for civil benefits, 11 percent for interest, and 4 percent for civil operations and administration.

Mr. Chairman, I know of no better way of putting our military leadership in the world in its proper and dramatic perspective than to point out that of the \$65.9 billion included in the budget to be spent during the next fiscal year for the purpose of operating the Federal Government, \$42.4 billion was set aside for protection. I would like to call attention also to the fact, as has been mentioned here today, that on May 10 by a vote of 377 to 0 this House passed the defense appropriation bill making appropriations of \$33,635,000,000 for the Defense Department for the ensuing year.

Mr. Chairman, the difference between the \$33,635,000,000 and \$42.4 billion as suggested in the budget is made up by the mutual security and other programs in connection with defense. The point we ought to keep in mind is that the mutual security program is only about 10 percent of the entire defense program and it is part and parcel of the defense program. So, if we are going to pass a bill by a vote of 377 to nothing, as we did for the defense program with reference to our Military Establishment, I cannot see how we can reason that the remainder of the defense program should be cut by the amount that was cut in the committee.

I think, as we carefully look over the program as it has operated during the past years, we must agree that the program has been successful. We are in a particularly crucial period in our his-

story, with tremendous power resulting from the nuclear revolution in which we find ourselves. Because of this extremely crucial period it is necessary to continue this program which has been successful. The program should not be hurt at this particular time, at a time when the Soviet Union has adopted new tactics but has not changed its fundamental philosophy. We should not hesitate at a period when we are on the verge of great victories in our mutual security effort.

Furthermore, the greatest military genius of our time, the President of the United States, has constantly advocated and requested the full amount of the mutual security program. I, for one, Mr. Chairman, do not want to take the responsibility of cutting the funds which the President says he needs in order to implement the foreign policy of the United States. Projected against the background of our expenditures for defense, this is a small amount of money. One billion dollars against \$42.4 billion or against the money—\$33.6 billion—that we appropriated for the Department of Defense only a few weeks ago in this House is not large in comparison. It would be of tremendous psychological advantage, Mr. Chairman, to re-tore this amount.

Mr. SELDEN. Mr. Chairman, I rise in opposition to the Hays amendment.

Mr. Chairman, as you know, the administration has proposed an overall review or restudy of the mutual security program. This indicates that the administration is uncertain, not about the need for a mutual security program, but the emphasis that should be given to various parts of it. This uncertainty is caused by shifts of Soviet tactics that have taken place in the past year or 18 months. I feel that the administration's proposal is not only warranted but that this restudy and review must take place. Pending and during such a review and restudy, I recognize the fact that a reasonable mutual security program should and must be continued.

The possibility of executive review does not, however, lessen the responsibility of the Committee on Foreign Affairs and the Congress to seek a full justification of the authorization request that has been made by the executive branch of our Government. The Committee on Foreign Affairs, under the able leadership of our chairman, has accepted that responsibility, and after some 2 months of very careful review recommended the bill that is now before the House.

The decrease in military funds by \$1 billion was adopted by an 18-to-11 bipartisan committee vote. Almost two-thirds of the members of that committee who were present voted in favor of the reductions after having heard testimony from representatives of every branch of our Government connected with the administration and the planning of this program. But in spite of the committee's recommendations a last-minute effort is being made to restore more than half of the reduction that the committee recommended. Statements have been issued that this



program will be seriously impaired or even wrecked if these funds are not restored to the bill.

Yet, each year since this program has been in operation, the Congress has voted less than the amount requested by the Executive. In 1950, the Congress reduced the request of the Executive by \$583 million. In 1951 it was reduced by \$813 million. The reduction in 1952 was \$1,217,000,000. In 1953 the cut was \$1,888,000,000. In 1954 the Executive's request was again cut, this time by \$1,297,000,000. In 1955 the reduction was \$894 million. Last year the request of the Executive was reduced \$826 million by the Congress.

Each year that these reductions have been made, protests similar to those now being voiced have been heard. Yet the program has continued to operate and, at the end of the present fiscal year, it is estimated that the program's unexpended balance will be approximately \$6,600,000,000. That amount is sufficient to continue the mutual security program without any further appropriation for nearly 2 years. Yet the committee is recommending in this bill an authorization of an additional \$3,600,000,000 that it sincerely believes will keep the so-called pipeline safely in operation.

Notwithstanding this past history, the committee did not make reductions indiscriminately. Other important factors indicated a substantial reduction in the Executive's request was justified. Almost \$5,600,000,000 of unexpended military funds is now in the so-called pipeline. Of this amount, \$3,600,000,000 is earmarked for European programs. Most of these programs were worked out when German rearmament was scheduled to follow a more accelerated pace, before France moved a large part of her forces to North Africa and before several NATO countries indicated contemplated reductions in their defense budgets.

These facts, coupled with the knowledge that the equipment to be supplied by the European pipeline funds can be transferred to other areas, were sufficient to convince almost two-thirds of the members of the Committee on Foreign Affairs, including our distinguished chairman, that a reduction in military funds could be made without injuring this program. I therefore urge the House to uphold the committee's action and defeat the Hays amendment.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. O'KONSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for 14 years now I have been hearing the same story. When I came here in 1943 it was lend-lease. The same arguments, the same tactics that were used at that time are being employed now.

In fact, after the war ended, and including 1950, even when the war started in Korea, the pipe line was still filled with war implements going to Joe Stalin in the Kremlin—up to and including the Korean war.

Then, of course, when lend-lease proved such a dismal failure, they had

to come out with a new gimmick. They just changed the name of it to UNRRA and the administration of that was so disgraceful that that lasted only 2 years. They knew they could not put that program over in the Congress any more, so they dug up with another kind of gimmick called the Marshall plan. And, believe it or not, when the original Marshall plan was proposed in this Congress, even the Kremlin was invited to come in and get its share. But the arguments for all of these were the same. In the clutch always the big wheels came over here to the floor and said, "If you do not give these billions awful things are going to happen to the future and the security of America." The big wheels try to scare the hell out of you if you do not go along.

Then when the Marshall plan proved such a dismal failure, they just brought in still a new gimmick, dressed it up under another name, and now called it mutual security. There is nothing mutual about it, and if anybody finds any security in it I would like to find out where it is.

The amendment to restore part of this cut, the very wording of it, even if anyone were partial for restoration of the cut, is such that all Members of Congress should vote against it. Mind you, if this amendment is adopted, it would give the Department of State and the Pentagon practically a scot-free voice on what they will do with that money, that is the \$2,500,000,000, that could be used for military expenditures in European countries. It will knock out any earmarking of any funds to Spain. Do not let the leaders fool you about Spain. The only reason Spain is getting aid today from the United States is not because the Pentagon wanted it, not because the State Department wanted it. I remember in 1947 when I offered the amendment to include Spain in the Marshall plan the Pentagon and the State Department almost had a hemorrhage. The only reason Spain is receiving aid today is that the Congress of the United States of America in its wisdom jammed it down their throats, earmarked the money, and said, "You must spend it for that purpose and that purpose only." Even after it was appropriated by this Congress it took 3 years before the Pentagon and the State Department unloaded one dime in the country of Spain. That is how much they were interested in mutual security with Spain.

I have not been there, but you Members of Congress who have made a study of all these foreign assistance programs will verify that the only place we are getting our money's worth is in Spain. And remember we jammed it down the throats of the leaders of our country. They did not want it. The Congress in its wisdom forced it upon them. If you adopt this amendment, Spain is not going to be earmarked for any money. Since they did not want to do it in the first place we have reason to believe they will not do it unless it is earmarked. They will have \$2,500,000,000 to spend at their discretion, which very likely means that they will have some \$48 million more to give Marshal Tito, which is probably

their plan. Why they are doing that I do not know, is madness and needs the attention of expert psychiatrists.

We all know that communism has a new look. Let us examine that new look. The man who is really going to deliver the new look all over the world, the man who has set the stage for it, the man who was selected to do the job, is Marshal Tito, who now is arm in arm with the Kremlin. His present visit to the Kremlin quotes him as saying: "Nothing will ever divide us again, nothing will ever come between us again, even the \$1 billion I got from Uncle Sam. Nothing will come between us again. We are one now and forever."

What is Tito's purpose under this new look under communism? With the taxpayers' money, the United States of America has built for the Kremlin a Communist showcase in Yugoslavia that they can show all over the world, to prove that you can be a member of the Communist orbit, that you can be in the family of the Kremlin, and you can still get billions of dollars from Uncle Sam.

Why do you suppose Tito went to India? Why do you suppose he went to Egypt? Why do you suppose he went to France? Why do you suppose he went to England? For his own good? Do not be naive. He has a mission to perform. Tito now has a billion-dollar showcase in Yugoslavia built with American money and armed with American jet planes. He is going to all of these countries and saying to them, "Look, this idea that if the Communists take over, that if your country goes Communist, you are going to get all your orders from the Kremlin, that is all hogwash. Look at me. I am a member of the Communist family, I am a member of the Communist orbit. I do as I please. I got a billion dollars from Uncle Sam. Why don't you join the Communist orbit and do the same thing? You can be a good Communist and faithful to the Kremlin and still get billions from Uncle Sam."

Tito today is being used as a super salesman of what can be done with a country if it joins the Communist orbit. If Congress is going to continue to give Tito the \$300 million which I understand is still in the pipelines, there is something wrong upstairs. Yet in this bill some \$30 million more earmarked for Tito in economic aid. How much military aid he is being given is supposed to be a secret. But, mind you, he certainly is telling the Kremlin right now how much military aid he is getting from the United States and what chumps we are.

Right now Tito is telling the Kremlin how much military aid he is getting from the United States. It is all right for the Kremlin to know how much military aid he is getting, but we Members of Congress are not supposed to know. We are not supposed to know how much aid Tito is going to get. We are not to be trusted. But Tito is.

Now, I hear a lot about "Follow the leader." I respect my leaders, but if I went home and told my people I was going to just sit in my office and draw \$22,500 and let my leaders do the thinking for me, tell my people that I am not going to do any reading or any thinking,



that I am just going to do what the leaders tell me, do you know what my people would do to me? They would do what I deserve to have done. They would kick me out. I was sent here to do my own thinking. Is there anybody in this Congress who will deny that our State Department and our military have committed blunder after blunder throughout the world? Is there anybody here who will deny that? Then why should we follow them? Just as they were wrong on this Spanish aid issue—they talked about this foreign-aid program stopping communism. The queerest thing is that the places where we have given the least aid are the places where we have had the least trouble with communism. Spain is one. Norway is another. Sweden is another. The "funny" part is that the countries we have given the most money, France and Italy, have more active members of the Communist Party than they have in Russia itself. Even though they say they are stopping communism with this foreign-aid program, you have more active, signed-up members of the Communists than in Russia itself. That is where we have poured in most of our billions of dollars under this foreign-aid program. If this bill passes with a continuation of aid to Tito, you are doing for the free world a damage which no amount of billions of dollars or human lives will ever repair, because he is the man that they are now depending upon under "the New Look" to get other countries of the world into the Communist orbit.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. O'Konski] has again expired.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, in a great many instances emotionalism and rock-and-roll tactics on the part of the leadership can be more convincing than actual facts and good sound logic.

Last year, when the Congress in its wisdom reduced the budget request by an amount in excess of \$500 million, it was bemoaned that we had wrecked the program. May I assure each member of the committee that we did not wreck the foreign-aid program; rather we helped it. I have asked at least 20 witnesses who appeared before the Subcommittee on Appropriations handling the money phase of this bill if the reduction last year actually hampered the program in any way. Without exception the answer was "No." Make no mistake about it, we did not hamper the program in any way by making a reduction of in excess of \$500 million last year.

You will remember there was one item of \$200 million for the Far East. Our committee was informed that if this item were reduced the President's hands would be tied and the program greatly handicapped.

Notwithstanding that report, we reduced the request from \$200 million to

\$100 million. Did we hurt the program? No. Witnesses before the committee this year said that notwithstanding the fact that the Congress allowed only \$100 million, they were able to obligate only \$6 million of the \$100 million, or, only 6 percent.

Let me give you some facts which were borne out by your own able chairman and which will be borne out later by the Appropriations Subcommittee.

The average lead time covering military items in this program is 24 months. That is, 2 years elapse from the time the Congress appropriates the money until the equipment is delivered to the recipient nations.

It has been established that if the annual appropriation is approximately \$2.5 billion, the average annual expenditure is \$2.5 billion, and the lead time is 2 years, then certainly \$5 billion in the pipeline is adequate. Using round figures, subject to correction, the Department charged with spending these funds expended \$2.3 billion in fiscal 1955 and \$2.2 billion in fiscal 1956.

It is anticipated the appropriation this year will be \$2.7 billion, still maintaining the average of approximately \$2.5 billion. As long as you keep \$5 billion in the pipeline unexpended you have a well-functioning program and no harm will be done. That fact was well established in testimony before the Appropriations Subcommittee.

At the close of the fiscal year on June 30, according to very recent estimates, there will be in excess of \$5 billion in the pipeline, and if you allow \$2.5 billion for fiscal 1957 then there will be available for this phase of the program more money than can be spent. This fact was also well established by testimony before the Appropriations Subcommittee.

Will you please keep in mind that approximately \$500 million of the funds requested for fiscal 1957 is for weapons still in the planning stage. It may be many years hence before even one dime of the \$500 million requested for these special weapons will be expended.

We should not be lifted off our feet by rock-and-roll tactics of emotionalism.

I just cannot understand, I cannot comprehend why anyone would argue that even \$1 of the reduction made by the committee should be reinstated in the bill. I can assure you that the request for reinstatement is not based on facts and figures.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to ask the committee some questions, but before doing so I want to point out that in the past I have voted for many of these authorization bills. I am in favor of the general principle behind the mutual security program. Eliminating the oratory in behalf of this particular bill I agree with its purposes, but to me the question is to get into the details to find out what we are actually accomplishing.

In the past I regret to say that the committee's reports themselves indicate that they cannot get into the details. I have gone through these hearings, this

report and listened to the debate yesterday to try to find out what the details are. The committee members themselves say it is precious little, in fact it has been stated that we must take this on faith. But the Congress was not set up to take things on faith; the Congress was set up as an instrumentality of the people who cannot dig into this for themselves, who cannot come down to Washington and do it for themselves. They send us as their representatives to do this for them. If we fail in that function we fail in our basic function. Someone has said that we have a provision in here which will stop some of these socialistic programs that we have been engaged in abroad. The term "socialism" is a vague one, a hard one to define. It is defined not by words. You have to go into and examine each program specifically to find out what the administration, whoever the Executive is, whether it is Truman or Eisenhower, proposes. We have to know what the specific programs we are talking about are. The Congress must examine into them through its committees and find out whether they meet with American principles as the people's representatives see them.

I should like to ask a few questions, and I will direct them to the gentleman from Ohio [Mr. Vorys] because I know he has studied this aspect of the matter as carefully as anyone could. There has been a lot of discussion about pipeline figures. On page 13 of the committee report is found a pipeline figure of 6.4; then right below there we have the unexpended balances at 5 billion. The question is, Are those figures to be added together, or how much of the pipeline figures actually include unexpended balances of military funds?

Mr. VORYS. The gentleman will note that the first figure of 6.4 was the estimate on November 30, 1955. It was broken down by areas. The latter figure of \$5 billion is as of June 30, 1956 and that estimate was made on May 16, both of them referring to unexpended balances.

Mr. CURTIS of Missouri. In other words, in this instance pipeline and unexpended balances are synonymous?

Mr. VORYS. That is right.

Mr. CURTIS of Missouri. I thank the gentleman. I was unable to find other figures in the hearings. Of course, all I could do was to flip through the hearings as best I could. How much of the military expenditures will go for off-shore procurement? The reason I ask that is this: After all, the off-shore program is also going to assist these countries in their economic situation; therefore, it is a figure that becomes quite important in viewing this program.

Mr. VORYS. Is the gentleman directing a question to me?

Mr. CURTIS of Missouri. Yes.

Mr. VORYS. On page 648 of the hearings are the figures on offshore production; \$110 million for this year—that is fiscal 1956—and \$75 to \$80 million for next year.



Mr. CURTIS of Missouri. That is a very small amount. Is that the best you have been able to do?

Mr. VORYS. Yes. We had very large figures for the offshore program during the Korean war when our own munition plants were loaded up. Then there was considerable criticism of the offshore procurement program because many members wanted to keep the business at home. So the offshore procurement program has dropped down very sharply.

Mr. CURTIS of Missouri. The general program certainly is a way of assisting these countries economically; is that true?

Mr. VORYS. That is true, but that is a secondary, indirect purpose. Our main purpose is to build up their own defense production. For instance, included in the offshore program for next year, or possibly in addition, is a provision for weapons facilities. What we want to do is to get them going through the offshore program to provide production lines so that they can start producing their own ammunition and weapons.

Mr. CURTIS of Missouri. Exactly.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent (at the request of Mr. VORYS), Mr. CURTIS of Missouri was allowed to proceed for 3 additional minutes.)

Mr. VORYS. The countries in Europe are spending about \$12 billion a year compared to a request here of \$760 million for Europe from our own country. It is my hope, and I think it is the plan, that through the offshore program we give them some economic aid, but we also provide production lines so that they will increasingly take on the burden of providing their own weapons and ammunition. They will be doing this, at least in Europe, in a few years.

Mr. CURTIS of Missouri. One other specific question before I ask a general question. How about a breakdown of the common use items for the military as opposed to other military end items?

Mr. VORYS. In the military assistance amount of \$1.925 billions there is \$1.55 billion in the committee bill for military weapons, equipment, training, and shipping. Included in the military figure is \$374 million for direct forces support, which is common-use items, food, clothing, and things like that.

Mr. CURTIS of Missouri. Of course, if you dig into those allegedly military items, I think experience will show and I am sure the Committees on Appropriations and on Armed Services agree, that a lot of those are common-use items. This is the procedural error in having the Foreign Affairs Committee attempt to go over military programs.

Mr. VORYS. There is \$374 million for direct forces support.

Mr. CURTIS of Missouri. I meant in addition to that sum.

The final question is this. Last year there was considerable criticism in the committee report and hearings and on the floor directed at the failure of the executive departments to support their requests by details; in fact, charges of fiscal irresponsibility were made. I made

a floor speech directed to this subject last year. Has the presentation this year been any better?

Mr. VORYS. I think so. Perkins McGuire, an able businessman who was president and director of Allied Stores, and was in charge of procurement for that great organization, is now sitting on top of that end of it, and I believe we have an increasingly reliable accounting system. May I just say this, when you try to get figures on this, you are shooting at a moving target. There is material moving all over the world, and when you call for a report on a given day, it is different by noon on that day. Mr. McGuire has pointed out the difficulty of presenting accurate figures unless you have a running account going on all the time and have a lot of people doing nothing but figuring.

Mr. CURTIS of Missouri. I thank the gentleman. I regret that the reports, hearings, and the debate on the floor to date do not give much support to this conclusion. I believe progress has been made, but not the progress that this Congress must insist upon in order to discharge its responsibilities. Last year we failed to insist that the executive departments come forward with accurate accountings, although there was plenty of time to do this. Each year that the Congress fails to insist upon proper accounting from the executive departments we make matters worse, not better.

Regretfully I state that special conferences between the Chief Executive and the leaders of the House do not take the place of orderly presentation of detailed facts and figures to the congressional committee charged with digging into these details. If the Chief Executive feels that more money than the committee recommends in this bill is needed for the mutual security program, let the committee be called back—this bill recommitted—and let the details sustaining such a position be presented to it for orderly and proper consideration.

(Mr. CURTIS of Missouri asked and was given permission to revise and extend his remarks.)

Mr. LONG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, before this Congress plunges the treasure of the American people, under the title of foreign aid, into the greatest financial ambush in the history of international delusions, and before we here deliberately decoy ourselves into this multi-billion-dollar anti-American snare, I plead to be permitted to offer a few words of warning.

To me, foreign aid represents perhaps the most tragic mistake in the history of American Government. It is the diversion of America's liquid wealth, technical know-how, highly prized American talent, skill, labor, and resources, into the bottomless pit of European and Asiatic hate. But who can gainsay the obvious fact that the dollars we spend abroad by this complicated system of gifts and near gifts must in the end play a mighty role in the goal of Europe, Asia, and the Kremlin to beggar the American people?

We are, in truth, using American dollars, earned by Americans, to build up a colossal wall of foreign competition against the interests of American management, American capital, and American labor. We are using our American dollars to buy foreign competition against ourselves.

We are not only buying competition—we are building it from the ground up, and then keeping it subsidized.

The insidiousness that foreign aid implies is all the worse for the fact that it wears the face of being kind and doing good for the backward and depressed peoples of the world. What backward peoples, and for what purposes are we helping them?

Those American dollars did not grow in the fields, all stacked and counted, ready for the greedy hand that in the next moment would not, and does not hesitate to strike at us. Those dollars came from the sweat and labor of 167 million American people.

I beg that this House remember that fact with reverence and caution before it even begins to think of turning over the amount the President has asked for—upward of \$5 billion—for foreign aid, which I call the greatest global fraud since money first became a medium of barter and exchange. "Foreign aid" is a misnomer. If it is a question of foreign aid in the real sense, then we have more than fulfilled our obligation to our own conscience and the conscience of every European and Asiatic.

When England stood with her back to the wall; when the Russian people were fighting the Nazis within 25 miles of Moscow; when France was, as a nation, wiped off the face of the earth, and the streets of Paris echoed to the Prussian goosestep, we gave our wealth as if it were water, our economic strength as if it were endless, and the lives of American youth to rescue them from tyranny and slavery.

What more do they want? What more do they have the right to ask for?

Mr. Chairman, is this to go on forever?

Already we are being asked to furnish foreign military and economic aid programs—not on the basis of a current need—but more; on the basis of long-term commitments.

This is not fighting communism, if that is the purpose. Communism cannot be fought by enriching people less prosperous.

What good does it do when our profession for interest for others is blackened by the continuing colonialism of France and the imperialism of Britain?

The fact that they can both point the accusing finger at the Kremlin's even more diabolical colonialism merely provides the world with another wrong that does not add up to a right.

Any one of the presumably anti-Communist countries would, at the drop of a hat, boldly do business on the biggest possible scale with Communist Russia. Only the other day were not the top Government officials of both England and the Soviet Union lunching, dining, and toasting one another in London? Yet we are being asked to pour vast fortunes



into the coffers of those who turn their backs on us when our enemy bows to them, and, who face us, hat in hand, waiting for our cash. The folly of the past in our foreign-aid program stares at us in cold, incredible figures. It bought us—not allies, but envy; it bought us—not friends, but enemies; it bought us—not gratitude, but resentment.

The average mind cannot encompass the fabulous arithmetic of foreign aid. United States foreign aid to all countries for the period covering World War II, and the postwar period ending June 30, 1955, came to \$9 billion.

I am not flattered by being told that this is the greatest Nation on earth, since the Roman Empire, or that we have wealth unparalleled in all time.

The figure I have just given you is beyond all reason. I shall never be convinced that any government has the moral right to hand out such vast sums of the people's money to nations of dubious loyalty—to nations which only yesterday, as history counts time, were our bitterest and most relentless foes.

While with one lavish hand we are putting our money up in bales to send abroad, we are with the other figuring our devices for providing our farmers with less and less. To that important segment of our population that has, since 1952, been suffering from loss of income—the stepchild of prosperous America—we have been talking of instituting soil banks. Our growers of rice, tobacco, cotton, and potatoes, our growers of wheat and livestock are in trouble. In the plight of our farmers our attention is concentrated not on them, but on helping to finance, among other things, the greatest architectural structure of all times—the Aswan Dam project, so that the Egyptians can grow more and better cotton to compete with American cotton. Here on American soil we talk of reducing farm acreage, while we talk of spending billions for dams to enable the Egyptians to irrigate their soil to grow more and more of the very product for which we have no market.

Is this right? Is this moral? Is this justice to ourselves?

The very critics who have declared the New and the Fair Deals to be just so much socialism are now most active in sponsoring this foreign aid program, the most internationally socialistic scheme ever devised since Lenin foisted Marx on Russia, and the Soviet Union upon the free world.

We in America must begin to be deeply concerned about the plight of our aged population. There is a vast fool's paradise in the story of America's prosperity, accentuated by what is perhaps the deepest tragedy of America's pride in her wealth. It is the problem of our aged, which shames America's boast of economic prowess and endless resources. If Congress is looking for people who need help, I ask that we turn our eyes inwardly—not in the direction of Pakistan and Peru, but right here on America's aged and infirm. It should shock our sense of justice to its foundations that the 14 million among us over 65 years of age have an average income—for man and wife—of less than \$1,500.

To a population reared in self-respect this tells a humiliating story of conditions existing among our own people. Will we let this go on? And in so doing will we continue to empty vast mountains of our treasure to peoples in far-off countries? The savings of these elderly folk in our midst are less than \$500. Great gains have been made in the past 20 years, but against the votes and the influence of those who called social security socialism, and who today reluctantly render it lip service. They now find that social security has been proved not only sound, but politically profitable. I find that while the Federal Government employs over 2 million people, only 9 of these are working on the problems of old age. Again the fat hand that is so full of largesse for the people on the other side of the earth turns thin and scrawny when it comes to dealing with the pressing problem in the midst of our own population. Hundreds of thousands will be employed to further foreign aid, but only nine on the future of our mothers and fathers—and, eventually, of ourselves.

Let us, I pray, first set our own house in order. Let us do what we Democrats have long advocated—reduce to 62 the age when women, including the wives or widows of men covered by social security, may be entitled to their benefits. Let us add the provision to the social security program that an employee 50 years old, or older, be awarded his or her benefits in the event he or she is totally and permanently disabled. Let us set ourselves like flint against the influence of those who would cut down the social-security program.

To me there is something distinctly unpleasant and intensely distasteful in an administration which with one voice asks for nearly \$5 billion for foreign aid, while with another throws a roadblock in the path of social security.

I notice that on the question of special housing for the aged, the champions of the self-respect of our elderly population turn out to be none other than our own Democratic stalwarts. Before I would advocate expending support to foreign aid I would use it all up for low-rent housing projects for older American families. Instead of supporting foreign aid I shall find myself supporting medical care for the aged—right here in the United States.

When the Congress of the United States has lived up to its principles as the representative of a great nation by first taking care of those in need at home, it will have won, by its example, the respect of all mankind. This is the kind of respect I should like to see America earn for herself—the kind of respect that cannot be bought with foreign aid. This is the respect that will help us in the leadership of the free world. It is this kind of respect that will help all mankind.

In Congress it is my endeavor to speak for those who cannot speak for themselves—the lame, the halt, and the blind; the weak and afflicted, and those who have no one to speak for them.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield.

Mr. DORN of South Carolina. I want to compliment the gentleman on his very able presentation of the case against this international giveaway program, particularly at a time when the gentleman's constituents, the little cotton and rice farmers, are sweating and laboring under an income of less than \$1,000 a year.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield to the gentleman from Illinois.

Mr. MASON. And in addition we vote money to sink 2,000 artesian wells in arid India not to produce food for the starving people of India but to produce cotton in competition with Louisiana cotton.

(Mr. LONG asked and was given permission to revise and extend his remarks.)

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a good many today have expressed the hope they had when mutual security was started that by this time, 11 years after the end of the war, we could greatly cut down this program by which we are trying to help other nations defend their own independence and remain part of the free world. I certainly understand and share in that feeling of regret that we are not able as yet to taper off this program as we had hoped. Everybody here wishes we could reduce our expenditures for mutual security, just as we wish and hope the day will come soon when we can reduce our own defense budget.

You will recall that right after the end of the war we brought our forces home, demobilized them, and cut our defense budget down to about \$13 billion a year. Then, partly because we withdrew so quickly and did not carry on a program of this sort, weak spots were left in the world and the Soviet Union moved into them. It instigated a war in Korea which immediately forced our own defense budget up to above \$50 billion a year. It has been running about 34, 35, or 36 billion dollars annually. It came down somewhat after Korean fighting ended, but this year it has gone back up again because the threat is greater.

We have seen recently the interesting phenomenon of a great many Members contending our own defense budget is inadequate and advocating that we appropriate more money for planes and missiles and weapons of defense; but at the same time they are urging that we cut down this program which builds the defenses of our allies. In short they urge that we make the same mistake we made 10 years ago of failing to maintain a strong world. But if by weakness anywhere we encourage new Communist aggression, it will require that we spend billions more—not billions less. It is not real economy.

Mr. Chairman, I think our country is in greater danger today than at any time since the end of the war. Both Communist strength and Communist trickery and seductive appeal are greater than ever before. I do not think it was necessary that we be in this position. I tried my best all during the years to get changes in certain policies which I feared would lead, unless changed, to the



losses in Asia which have brought us to right where we are.

But that is water over the dam. We have to deal with the facts as they are. And there are two plain facts: One, the Kremlin's military strength is greater today than it has ever been. Two, it is operating more effectively and dangerously and in a larger way in the economic field, seeking to beguile, deceive, bribe its intended victims, maneuvering to gain control of ever larger portions of the world.

Those are the facts. It does no good to regret or lament or bewail them. There they are. My country, I believe, is in greater danger than it has ever been. I cannot accept responsibility for increasing the danger by accepting this billion dollar cut. I recall a similar situation in August 1949, when there was a bipartisan amendment to increase military aid to the forces trying to prevent Communist conquest of China. I said, "We are not trying to throw money away as charged. We simply recognize that Communist conquest of China will be a mortal peril to all Asia; and conquest of Asia will constitute a mortal peril to Europe and to the United States." I cannot accept responsibility for not making every possible effort myself and authorizing the President and the Secretary of State and our Armed Forces to make, within reason, every possible effort to accomplish this end of strengthening our ally.

The amendment was defeated. China went down. That changed the balance of power in the world, made possible the Korean war, and has already cost us scores of billions of dollars. We must not be so shortsighted again.

Someone has said today that he could not go back to his district and tell his farmers who are hard up and others who are in financial difficulties that he has voted to increase the amount of their money to be spent for foreign aid. I certainly can understand that. My people are tired too. They need plenty more things for themselves. Some of them believe that if we spend less for foreign aid we can spend more for them at home. But that does not follow. On page 7 of our report is a quotation from testimony by the Honorable Gordon Gray, of North Carolina, former Secretary of the Army in a Democratic administration, and now Assistant Secretary for International Security Affairs in a Republican administration. He testified that "but for the military forces generated, stimulated, and assisted by our Mutual Assistance program, to attain the same measure of military security in the world, our own forces would have to be larger." To expand our own forces really takes money.

Mr. Chairman, I cannot conscientiously go back to my people in the Fifth District of Minnesota and say that by voting against the Hays amendment, I voted to reduce their security in Minnesota; I voted to endanger their country; I voted to require more of their boys to spend longer periods in our Armed Forces. I cannot go back to them and say that I voted to require them to spend more, not less, of their precious earnings

for the defense budget of our Nation—and still have less security because we would have fewer advanced bases close to the potential enemy.

This proposed billion-dollar cut will require cuts of between 14 and 27 percent in our programs to various countries whose defense establishments are vital to our own security. And what will it do to their morale and their confidence? Mr. Chairman, I cannot believe it is wise to make such a cut. For myself I can see no other course than to do all I can to support the duly chosen officials of our country in their terrible responsibilities. If I am to err I would rather err on the side of greater security for my country than on the side of lesser security. I hope the Hays amendment to restore \$600 million of the cut will be adopted.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. Judd] has expired.

Mr. BYRD. Mr. Chairman, I move to strike out the requisite number of words, and I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia [Mr. BYRD]?

There was no objection.

Mr. BYRD. Mr. Chairman, Shakespeare once wrote a play entitled "Timon of Athens." In this play Shakespeare presented the picture of a wealthy man, a man who was possessed of lands and servants and much of this world's goods. Timon had many erstwhile friends. He was careless, however, in the spending of his wealth. He bailed his friends out of prison; he contributed dowries to those who wanted to get married; he had many elegant banquets at which he wine and dined his fair-weather friends. Plutus, the God of gold, was but his steward. No need, but he repaid sevenfold above itself, and no gift to him but it assured the give "a return exceeding all use of quittance."

Repeatedly, his faithful servants came to him and implored him that the time had long since passed when he should begin to pay his bills and give some attention to the demands of his creditors. But Timon, out of his big heart, continued in his foolish ways. There came a day, however, when he had to face the facts, but it was too late. And then when he was bankrupt he sent his servants to beseech his friends to contribute to him 50 talents or some other sum in order that he might pay his debts. Not one of his friends responded with a gift. Each had an excuse. Timon's lands were sold to discharge his debts, and the once proud and good man was forced to seek shelter in a cave outside of Athens.

I shall not belabor you with a continuation of the story, but there are two important points that I want to impress upon you: Firstly, Timon foolishly and recklessly squandered his wealth; and, secondly, when it was too late, he found that his wealth and his gifts had not brought him friends.

The lesson in Shakespeare's play could very well be applied at this moment.

Like Timon of Athens, the United States for a long time has contributed its resources and its wealth to erstwhile friends and allies. Fortunately, although we are not yet bankrupt, we have already learned the lesson that money cannot buy friends.

As a member of the House Committee on Foreign Affairs, I supported the committee amendment and voted to report the bill as amended. During my 4 years here I have consistently supported mutual-security legislation. I intend to vote for this bill on passage, provided the House sustains the committee action which reduced the administration's request by \$1,109 billion.

Some Members of this body are against the committee amendment only because the President objects to it. They cite his military genius and his leadership as their reasons for opposing the reduction. I welcome the advice of our leaders, but our leaders are not infallible; they are made of common clay just as you and I. The President has made mistakes in the past.

Most Members of this House have had more experience in Government than has our President, and regardless of whether or not he may be a military genius, as some claim—and that is debatable—I contend that your constituents and mine sent us here to follow the dictates of our own conscience and the course that our own judgment would suggest.

So, let us put aside this idle talk that we can disclaim the responsibility which is ours. This great committee held hearings over a period of 8 weeks, and in its wisdom concluded that this cut should be made.

The committee has cogent reasons for reducing the figure. For one thing, it is estimated that at the end of this fiscal year there will be an unexpended balance of approximately \$6.8 billion. Moreover, there will be about \$5 billion in the military pipeline. Even with the committee amendment reducing the figure by \$1,109 million, the authorization will yet be \$860 million greater than the appropriation last year. On top of these cogent reasons, may I cite the fact that the flexibility provisions in this bill make it possible for the President to transfer adequate funds to cover any contingencies that might develop.

Mr. Chairman, it can be recalled that the Congress has reduced the requests of the executive branch each year anywhere from \$6 million to \$1.9 billion, and each time these reductions have been made, protests were heard similar to those that are being voiced today. This year's appropriation is merely to perform an interim function. Why then should we have such a greatly increased authorization over the appropriation last year, when it is evident that we cannot be certain as to how we shall proceed with the program until after there has been a reevaluation?

One easily gets the impression that more funds are often requested than are necessary or than can be spent. Did the Comptroller General of the United States not accuse the ICA of overprogramming during his recent testimony before the



Senate Committee on Foreign Relations? Did he not make the statement that that agency, which handles nonmilitary aid, has frequently asked Congress for more money than it could spend in the subsequent fiscal year? Was he not equally critical of the Defense Department's handling of funds for military aid?

Mr. Chairman, if we are going to throw aside the judgment of the committee, if we are going to disregard its findings and its recommendations based on 8 weeks of hearings and arduous study, and if we are just going to blindly acquiesce in the wishes of the executive branch, then the time has come when we ought to discharge this committee, admit that constitutional government no longer exists, fold up our tents and go home.

I went with my subcommittee last fall on a study mission, and in country after country I found that people seemingly have the wrong impression of our intentions and of the purposes of our foreign-aid program. Many of these people seem to think they are doing the United States a favor by accepting aid. In France I found that the people do not comprehend the threat of Russian aggression. The French nation appeared to me to be a decadent nation, no longer possessing the will, the determination, or the desire to resist a powerful aggressor. American money can never supply moral and spiritual purpose, and this is the foundation of a nation's strength.

Mr. Chairman, the United States has an estimated \$1 billion foreign-aid investment in Yugoslavia. Yet, Tito has responded to Russian overtures and debonarily accepted a hero's welcome in Moscow. He has promised that the Communist nations would never again be split and declared that the fates of Yugoslavia and Russia are inseparable.

Then there is Egypt. Did she not extend diplomatic recognition to the Communist China on May 16?

And what about India? According to a statement in the February 6 issue of the Department of State Bulletin, since August 15, 1947, the date of India's independence, United States Government aid to India has totaled \$477,934,000. Of this total, more than half, or \$242,934,000 has been in the form of grants. The American people have shown their friendship for India. But is Nehru grateful? Is he a friend of the West? Is he really neutral?

Mr. Chairman, in the light of definite failures, shortcomings, and noncooperation on the part of some of our Allies, it is difficult for me to do other than to support the proposed reduction in the authorization. The attitude of fence-sitting, appeasement, and neutralism is so disappointing that I am approaching the time when I shall find it exceedingly difficult to go along with this program. Were it not for certain staunch Allies such as Turkey, Greece, Israel, Pakistan, Korea, and Formosa, and a few others, I would vote against this bill now, because after all, our great contributions to victory and to rehabilitation after victory we have a right to expect wholehearted cooperation and a will to resist the common enemy.

Many of the beneficiary nations are currently enjoying higher living standards than ever. Some have balanced their budgets with the aid of our funds. They enjoy a greater prosperity than before World War II. Some of them have not hesitated to sacrifice principle and friendship in order to increase trade with the Reds. NATO nations have not built the defense force that was contemplated. The nations of Europe, generally speaking, act under a pall of fear and are afraid of drawing down the ire of the Soviets. Some of these same nations, which we now look upon as allies, may declare themselves neutral in order to avoid total destruction in an atomic war. In the final analysis, we can probably rely with assurance only upon our own country and our own people to fight any future war to a victorious climax. So, Mr. Chairman, I say, let us not be like Timon of Athens and learn the truth too late. Let us conserve our resources while there is yet time. Let us sustain the action of the committee in reducing the requested authorization, and it will be an exemplary lesson to our European friends and others throughout the world. It is the kind of thing they need to bring them to a realization that there is a limit to the patience of the American people and a limit to the resources of the American taxpayer.

Mr. Chairman, I repeat that I will vote for the pending bill provided the committee cut is sustained.

In conclusion, I want to pay tribute to my chairman, the gentleman from South Carolina [Mr. RICHARDS]. I have served with him on the committee for some time, and I have learned to respect his judgment and to love him. This is the last time that he will pilot the mutual security bill through the House. His decision to retire after this year means that this House will lose the services of a great American. But he has left his impression, an indelible one, upon all the members of the committee and it is an impression that will never cease to make itself felt in the Halls of Congress.

I am confident that I speak the sentiments of all Members of this House when I say to my chairman, in the words of the poet:

The roses, red, upon my neighbor's vine  
Are owned by him, but they are also mine.  
His was the cost, and his the labor too,  
But mine, as well as his, the joy, their loveliness to view.

They bloom for me and are for me as fair  
As for the man who gives them all his care.  
Thus I am rich because a good man grew  
A rose-clad vine for all his neighbors view.  
I know from this that others plant for me  
That what they own, my joy may also be.  
So why be selfish when so much that's fine  
Is grown for me upon [DICK RICHARDS'] vine.

Mr. PROUTY. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. PROUTY. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. Mr. Chairman, it appears that I will not be able to remain until the finish of this bill, but I would like for the RECORD to show that if I were present and voting, I would vote against the amendment and against the bill on final passage.

Mr. PROUTY. Mr. Chairman, I was unable to be here yesterday during general debate because of illness. Quite frankly, I do not think I would be here today if it were not for the fact that I wanted publicly pay tribute to my friend, the distinguished chairman of the Committee on Foreign Affairs, the gentleman from South Carolina [Mr. RICHARDS]. It has been a privilege and an honor and a great pleasure for me to serve under his always impartial and inspiring leadership. His absence next year is going to be regarded by all of us as a great loss not only to the Congress but to his State and Nation. We hope that he will enjoy many years of good health and happiness.

Mr. Chairman, having said that, may I assure the distinguished chairman of the committee that only the most sincere motives compel me to take a position which is different from his on this particular bill. I am supporting the amendment offered by the distinguished gentleman from Arkansas [Mr. HAYS]. During the committee hearings I offered an amendment which would have reduced the military appropriations by about \$625 million. The effect of the Hays amendment will reduce the overall appropriation to a level which I considered justified and which apparently is acceptable to those charged with the responsibility for the defense of this country.

I think, Mr. Chairman, that none of us would place a price tag on freedom. Nor would we attempt to evaluate American rights in terms of dollars and cents, but I am afraid, Mr. Chairman, that because of the confusion which surrounds the mutual security program some of us may inadvertently be doing just that.

Now, what is the purpose of the program? To understand this I think we must recognize that we live in a very small world; a world in which man has developed weapons of such terrible destructive power that if we were to become involved in an atomic war, we are not even sure that any man, woman, or child on the face of the earth would survive.

So a principal objective of the program is to serve as a deterrent to war. At the present time there is no deterrent to war except our capacity for retaliation, and until we have iron-clad controls which will make another war impossible, we have no alternative other than to rely upon military power as a principal means of preserving the peace.

We are not trying to buy friends. Everyone knows that that is impossible. We are not engaged in a huge give-away program with all benefits accruing to the people of other nations. We are concerned with the security of the United States as well as that of our friends in the free world. And make no mistake about it, they are contributing a major share to the defense of freedom.



Based on gross national product, I think you will find that many of these nations are making almost as great a contribution to the defense of the free world as we are, and, in a sense, a greater contribution because their resources are far smaller than ours.

A great deal has been said about the failure of this program since its inception. Of course, there have been failures. We have not achieved all our objectives, but neither have the Communists. We may be sure of one thing, however. The Communists are not going to let down in their effort to dominate the entire world. Unless we are willing to make whatever sacrifices may be necessary in support of our principles and ideas the future will indeed be bleak.

This is not a give-away program. It is an integral part of our own national defense. I think the people of the country and many Members of Congress should be more cognizant of this fact. We are engaged in a great struggle to protect American freedom, and the freedom of people everywhere who want freedom.

This is a responsibility we must accept. The efforts of Communists to take over one country after another, piecemeal must be curbed not simply in the interest of these countries but in our own interest as well. For if we have to go it alone, without friends who will fight and help if the means are available to them one cannot overestimate the seriousness of our own position as a Nation.

The mutual security program has the unqualified support of our top military leaders and the President of the United States. Do we dare ignore the advice of such men as these on a matter of such vital importance to our national security?

(Mr. PROUTY asked and was given permission to revise and extend his remarks.)

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 1 hour, with the understanding that the Speaker of the House will have 10 minutes, the distinguished minority leader will have 10 minutes, and the chairman of the committee will have 10 minutes.

The CHAIRMAN (Mr. RABAUT). Is there objection to the request of the gentleman from South Carolina?

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, some time ago a similar situation arose and there were some 30 to 35 Members on the floor standing. A motion was offered that debate close in a period of time that would have allowed a minute or a minute and a half to each Member. I gave notice at that time that if that procedure was attempted to be followed again, I intended to do everything I could to prevent the choking off or the gagging of Members of the House. I am going to do that. I am going to insist on it. Those who want to make arrangements for Friday may make them, but I do not want them to take Friday as a holiday at my expense.

Mr. RICHARDS. Mr. Chairman, I want everybody to have whatever time they feel they need, but I think we should

try to get along with this section. I am willing to amend my request to an hour and a half; that is, add 30 minutes.

Mr. HOFFMAN of Michigan. I have not relinquished by reservation of objection. I have another objection and that is that during general debate all day yesterday, committee members took most of that time. Today, at least in the last few minutes, at least 2 committee members asked and were given an additional 5 minutes to speak. I am not going along with any procedure which will cut the rest of us off from an opportunity to debate a bill of this kind.

Mr. RICHARDS. The gentleman referred to the general debate we had yesterday. If the gentleman had been present, he could have had plenty of time, all the time he wanted.

Mr. HOFFMAN of Michigan. All the time he wanted? You did not have anybody here to listen to it, until I made the point of order that a quorum was not present. Does the gentleman think I want to talk to an empty House?

Mr. RICHARDS. Mr. Chairman, I move that all debate on this section and all amendments thereto close in an hour and a half, with the understanding as I stated that 10 minutes each be reserved to the Speaker, the minority leader, and the chairman of the committee. That will leave an hour for the other Members here.

Mr. GROSS. Mr. Chairman, I make the point of order that a reservation of time cannot be made in a motion.

The CHAIRMAN. The gentleman is correct.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in an hour and a half, with the understanding that the Speaker, the minority leader, and the committee chairman be given time as I have suggested.

Mr. HOFFMAN of Michigan. I object, Mr. Chairman, and make the same point of order that the gentleman made on that. He cannot do it that way.

Mr. GROSS. Reserving the right to object, Mr. Chairman, how much time does that leave for those who are not given preferential treatment under the unanimous-consent request?

Mr. RICHARDS. If the Clerk will count the number of Members standing, outside of the three I have mentioned, we can see how many there will be.

The CHAIRMAN. There are 15 Members standing other than the 3 who have been designated with respect to time. That would give about 4 minutes apiece. Under that situation, is there objection?

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 2 hours, under the stipulation I have just made as to time for the Speaker, the minority leader, and the committee chairman. That would be 5 minutes for every Member here who rose.

Mr. CANFIELD. Reserving the right to object, Mr. Chairman, does this have any effect on the discussion which will

follow on the proposed amendment in regard to Tito?

Mr. RICHARDS. It has nothing in the world to do with that.

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

[Mr. RADWAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. RADWIN asked and was granted permission to revise and extend his remarks.)

Mr. WICKERSHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the recent statement by Eugene R. Black, president of the International Bank, that the United States had won a great "tactical and diplomatic victory" in persuading Premier Nasser, of Egypt, to accept Uncle Sam's offer of a gift of \$200 million to start the famous Aswan Dam on the Nile River is the subject of comment today.

At the same time our Government was negotiating with Egypt's Premier to give away \$200 million of American taxpayers' money to start the world's largest dam, with a promise of loans of additional hundreds of millions to assure its ultimate completion, while western Oklahoma and other nearby States were experiencing severe dust storms, droughts, and serious water shortages, rain finally came recently accompanied by flash floods.

It will be of little consolation to Oklahoma farmers, who in the past have been hauling water for their livestock, to know that their Government has won this so-called diplomatic victory in the form of magnanimous handouts to Egypt. Egyptian farmers along the Nile managed to finance and construct their own dams many centuries before this Nation was born. No doubt farmers of the Nile Valley could use more water. But so could Oklahoma farmers, who are helping pay the bill. They do not want charity, but only an opportunity to help themselves.

I have, therefore, introduced in Congress several bills for the construction of 11 additional irrigation, reclamation, and flood-control projects and several upstream Soil Conservation Service projects in western Oklahoma that, when completed, will cost only a fractional part of the outright gift of \$200 million plus the loans that may ultimately cost \$1,300,000,000, which is the estimated cost of Egypt's dam. These Oklahoma projects will not only help fill our urgent need for irrigation, reclamation, flood-control and upstream detention dams but will supply much-needed water for several Oklahoma towns. These towns and cities are not asking for a handout, but will pay back all loans for that part of such projects in connection with water supply.

I have requested that our two able Senators join me.

I will add that I expect to continue my fight for flood control, irrigation, and reclamation and upstream soil conservation projects similar to the Sandstone Creek, Brantz Creek, and other Soil Conservation Service projects on the Washita, as well as agricultural conservation practices such as terracing, con-



touring, green manure, crops, deep plowing, plowing under legumes, and so forth, as practiced by the A. S. C. at home for the benefit of American farmers and other tax-burdened American citizens, rather than waste American dollars in a bold but futile attempt to buy Egypt's friendship under the guise of a diplomatic victory.

Mr. Chairman, since Marshal Tito is leaning toward Russia now, the administration should reconsider its loan policy and now "veto Tito."

I am voting with the committee to reduce the original request by \$600 million.

(Mr. WICKERSHAM asked and was granted permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

(Mr. HOFFMAN of Michigan asked and was granted permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, that there may be no misunderstanding, permit me to join in all the commendatory statements that have been made or which will be made dealing with the wonderful service which has been rendered by the chairman of the Committee on Foreign Affairs, Mr. RICHARDS.

Mr. Chairman, it may be assumed that some of us have no knowledge of medical treatment. It must also be assumed that the ordinary individual has some knowledge of what is good for one's health and for the recovery of anyone who is afflicted with sickness. Assume you had a son and a daughter. That the son had some infection in his foot and it became necessary, in the opinion of the physician who was a well-qualified gentleman, to give a transfusion of blood. Assume the physician kept on giving blood transfusions for a long, long time, but the infection kept going up and up the leg and the son kept getting worse. That the physician has taken so much of the blood of the daughter that she began to fade away and it appeared that both, if the treatment was continued, would be in the hands of the undertaker. What would you do? Would you get another doctor? Would you change the remedy?

It would occur to me that, while the recovery of the son-in-law was of tremendous importance, a justifiable apprehension that the daughter might be bled to death—as some rumors insist was the cause of the death of the father of our country, George Washington—his physicians repeatedly bled him—would come to mind.

While I might still have confidence in the physician or physicians who were treating them, I would at least begin to inquire as to whether blood transfusions were the proper remedy. If I had confidence in the physician I might not discharge him but I might suggest that my commonsense told me that perhaps the physician should take a look at some other remedy, at some other procedure.

There is no question but that our President is one of the greatest military experts in the world. Concede that. But what does he know about where a tax dollar comes from? Did he ever lack

food, clothing, or shelter because he did not have the money with which to purchase it? Was he ever forced to practice strict thrift in order to provide for his future?

Great as is my respect for the President and his judgment, knowing from experience the value of a dollar and how the average individual earns that dollar, and the necessity, if he is to survive and live under the American standard, that a certain part of it must be reserved for his own use, it occurs to me that perhaps the President—wise as he may be, and we will say is—has just simply forgotten, or never knew accurately the extent of the ability of the American people to produce, just how much of what they produce they must retain if our economic machinery is to be oiled, greased, kept running, and, when obsolete, replaced. He is not, in my judgment, getting a complete picture of the whole situation. He is a specialist, and like all specialists, places altogether too much stress upon one phase of the situation which today confronts us.

No one questions the sincerity of the President. No one questions but that he is convinced that the better way to prepare for national defense, to stop the spread of communism, is the adoption of this present bill.

But again permit me to call attention to the fact which so many forget, that while the President has had a wide and a varied experience in other countries, and we might add, throughout the world, while he commanded in World War II, so far as can be recalled, since the day when he graduated with honors at West Point, he has never had the experience of earning his own livelihood with his muscles, through sweat, and the accumulation of calluses.

Do not misunderstand. There is no thought that as a military man he has not worked hard, conscientiously, and ably for the sum which the taxpayers have paid him or that he did not earn each dollar that he received.

There is no question but what our Secretary of State is a learned man of wide travel throughout the world. He has had a world of experience in foreign affairs. He belongs to a group in New York which has made fabulous sums—legitimately, honestly, and honorably. Is there any reason why that should not affect his thinking? That of his associates? None at all.

The training of our Secretary of State undoubtedly influences his decisions. This is said without any questioning of his motives or his sincerity. Having been a lawyer in the East and having among his clients many whose interests are abroad, and no doubt the representatives of some foreign governments seeking aid, a considerable portion of his legal business coming from those who are interested in aid of all kinds to other countries, it is inevitable that consciously or unconsciously his views should be influenced by his clients and by those with whom over the years he has associated. Hence, he, too, has difficulty in seeing the need for a change in our foreign policy.

And so we have someone in the Department giving us advice and telling us what to do and how to treat communism who again does not know anything about how you dig dollars out of the dirt, how you earn them in the factory, how you accumulate them in business. Nevertheless, they are telling us how to spend our money.

So, assuming that I know nothing about foreign policy, how to treat this disease called communism, nevertheless I do know something about from whence comes the money to meet these appropriations. I do know how people work day after day and week after week to save a little for the future.

Our colleague from Minnesota, Dr. JUDD, spent many years in China rendering—we are told—a great humanitarian service. He is said to be an expert on foreign affairs, especially in the field of our dealings with Asia and her people. If memory serves correctly, he has always advocated the giving of what might be termed our lifeblood, that is, our natural resources, to other countries. It seems to some of us that, at times, in making this financial transfusion, he has tapped not a vein but an artery, and, to some, a large and vital one.

Just as there is a limit to the amount of blood which can be drawn from a donor, there is a limit to what may be safely drained from the financial and economic resources of a nation.

I admire very very much our great colleague from Minnesota. For 20 years he devoted his life to helping the Chinese, a wonderful humanitarian service. There is no question about that; none at all. Now he comes along and he is prescribing what is, he thinks, good for the country here at home when he knows comparatively little about what was happening here in the many long years he was in China—well, I should change that and say not too much or at least not all of what was happening while he was serving in China.

His hobby is helping the Chinese and the nations of Asia, a fine laudable Christian purpose, but I do not want him to cut my throat, figuratively speaking, nor the throats of our people while he is prescribing billions of dollars to cure the sickness of China or other nations.

There is a limit:

True, we are a great and a powerful nation. But, when our foreign-aid program and the operations of our Federal Government take from an overwhelming majority of our taxpayers at least a third of their income; when the people of America as a group are forced to give 4 months of their working time each year to meet the demands of their Government, it occurs to some of us that the time to change our foreign policy has arrived.

This is especially true when, as our colleague from Minnesota, Dr. JUDD, will admit, and as others are constantly reminding us, the countries we have so generously and continuously aided have been and are drifting into the arms of our enemy.

The world's cancer, communism, instead of yielding to treatment, has, we are told, been growing ever larger. More



and more countries have fallen under Russia's influence, and, as they fell, and we have a very recent example, they have taken with them into the Communist-controlled orbit much, if not most, of the assistance which we have given them.

So the gentleman goes along and he asks to go along with the State Department and with its policy, and where is he getting? And who is actually formulating our State Department policy? Let us take a look at that question.

Just a few days ago, testifying before a Senate committee, he told us in substance that the policy of the State Department, while it bore the imprint of the Secretary of State and perhaps of a few of his top assistants, was actually formulated and made by those in the Department of State who, down in the lower ranks, collected, evaluated, and passed on the information upon which the Secretary and his assistants acted.

Then our colleague, testifying before that committee, added that many of those who so collected, compiled, and evaluated this information and upon which the Secretary of State formulated his policy, were leftwingers, were all too often advocates of near-Communist doctrine.

So, from our own House expert on the affairs of the East and on foreign policy, we have this strange, illogical statement that we should continue to follow the policy of the State Department, apparently approved as it is by the President, even though that policy was the result of the suggestions and the advice of individuals who were swayed by and had accepted communistic teachings.

An absurdity on its face. As well, might I—watching at the bedside of my son and my daughter, seeing both weakening, because of the original infection in the son and the blood transfusions from the daughter, knowing that both were on the way to an appointment with the undertaker, advocate a continuance of the blood transfusions, no different treatment for the infection.

What has been said may sound crude. It does, however, illustrate why my present convictions are entertained.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. No. You have had ample time.

Mr. JUDD. I think in fairness the gentleman should yield? Look at the transcript.

Mr. HOFFMAN of Michigan. I have had the press reports and, in my judgment, have given a fair and accurate summation of what the gentleman said on the point to which I am making reference.

The gentleman has taken much of the time given to the discussion of this bill. You have had plenty of time in which to advocate your philosophy, to justify your position.

So what is the result? Just look at the logic in his argument. He says that Mr. Dulles makes the policy and to make the policy he accepts the information collected and evaluated by these under boys whom the gentleman said—if he did not say they were Communists he came pretty close to it—were Pinks. So we have the policy of the State Depart-

ment based on the opinion of these employees down below who are to a certain extent disloyal to their country, yet the gentleman asks us to follow the policy which they originate which comes to us through Dulles.

We have reached the limit.

To other countries since July 1940 and until December 31, 1955, we have made available over \$111 billion, either in funds, munitions of war, or military and economic aid. We are today told there is on hand, available and unexpended for national defense, some \$5 billion. This bill asks us to give an additional four billion, nine hundred million to add to that sum.

As was advocated by our learned, intensely patriotic colleague from Wisconsin [Mr. SMITH] and others on his committee who agreed with him, and by many Members of the House, it is time—it is long past time—for us to consider some remedy for preventing the spread of communism, some defense to meet its aggression, other than the stripping of ourselves of the ability to maintain our economic freedom and to meet any armed assault which may come.

Throughout the Fourth Congressional District of Michigan, and I assume the situation is somewhat similar elsewhere, those who are not under the present law on social security, are complaining and insisting upon being brought under the law. Veterans and their dependents are demanding ever increasing billions to relieve their distress.

People of middle age who cannot, because of competition by machine and youthful workers, obtain jobs; who, through no fault of their own, are unable to provide themselves with the necessities of life—food, shelter, and clothing—are entitled to relief.

To me it seems that all of these demands should be given consideration and where possible granted, before we continue to pour our sustenance out to the people of other nations who in return desert us, accept the political philosophy of the Communists.

Because of the present situation, because of the failure of the program which we have heretofore followed, my convictions will not permit me to go along with this present bill, even though I would like to support the administration, and this being an election year, to yield to its demands.

I want no part of a policy or of a philosophy which originates, as our colleague from Minnesota has testified, from subordinates in the State Department who—I think it fair to conclude from his testimony—do not believe in the American system of government, who pass on biased, prejudiced statements in favor of some communistic doctrine, which unwittingly, unconsciously is accepted and handed to us through the Secretary of State.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, even those of us who have long believed and who have always supported foreign aid in the interests of our country have today great misgivings about this particular bill and

these particular requests. Some of them stem directly from the fact that we have seen a failure in many places of the moneys which have been appropriated by this Congress toward the stopping of the march of communism.

I would particularly draw attention at this time to the failures that are now occurring in the Near East or the Middle East. I would like to draw attention to the committee report specifically. For instance, on page 13 of the committee report it is stated that there is now in the pipeline for the Near East and Africa \$598,149,000. This was as of last November. And it is stated that the Defense Department was not able to provide a more current regional breakdown of the pipeline figures. I wonder why they were not able to give us a more accurate figure or more information. One of the things which makes it difficult for us to support this program is exactly this lack of accurate information.

Then, again, on page 15 you will find that there is a figure of \$170 million appropriated under this bill for the Near East and Africa. It does not say how it is divided up. It is stated that this is classified information. But, Mr. Chairman, there is this, to me, a very disturbing sentence in the committee report:

The amounts for certain countries are omitted because the executive branch regards them as classified.

Mr. Chairman, I want to ask the committee, Does this mean that we are pledged to continue to give money and arms to the Arab States who in recent days and in recent times have indicated they are playing the Russian game?

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Did the gentleman hear my speech of a few hours ago in which I pointed out that the Pentagon had money in the bill for two more Arab States for military assistance that had not had it before? When we called this to their attention they stated that was a mistake. What they are asking you to do is to take it on faith and they will give it to whoever they want to after we vote it.

Mr. ROOSEVELT. If that is the answer of the committee, we must all be greatly disturbed, because the record in the United Nations in the last few days I think without any question proves that we are losing the battle in the Middle East and that little by little Russia is having its way in lining up the Middle Eastern countries to use our money against our own country. It certainly seems incongruous as it must to the rest of the world when the one nation which has been friendly to us, which has stood up and worked for democracy, and who has been our friend, is denied aid while we hand it to the countries that in the United Nations refused to admit the basic fact of the existence of the State of Israel which we in the United States did so much to bring about.

Mr. Chairman, I do not know whether any member of the committee will clari-



fy this in the future or not, but I hope they will. For if that is typical of the way in which the moneys of the American people are being spent, then I think this Congress must take a much closer look at what is going on.

Mr. Chairman, I particularly take the floor at this time to record my misgivings over the course of events in the Near East.

Communist forces have seized the initiative in this strategic area. More than 9 months have passed since the Communist bloc started shipping arms to Egypt. They are using the Arab States to further their own propaganda to weaken the prestige and to undermine the defense of the free world. But the West has not yet developed an effective plan to meet the danger.

Within the last few days, we have witnessed a most extraordinary spectacle of Communist hypocrisy at the United Nations Security Council. What happened there has dramatically exposed the Kremlin's fraudulent peace offensive and has shown that the danger to the free world has mounted because we have failed to take vigorous and effective counter-measures.

I refer to the debate which took place on a resolution introduced by the United Kingdom to empower the Secretary-General of the United Nations to continue his efforts in the Middle East to secure compliance with the Arab-Israel U. N. armistice agreements. The resolution originally expressed hope for a peaceful settlement on a mutually acceptable basis.

These words had special significance. On April 17, Mr. Molotov, then U. S. S. R. Foreign Minister, had used these identical words in a press conference in Moscow. Many people were surprised—but pleased—to hear them because he seemed to be saying that the Kremlin wanted to help bring about an Arab-Israel peace, despite its arms shipments to Egypt.

The statement later appeared in the joint communique issued by Prime Minister Eden and Premier Bulganin in London on April 27.

But when these words were used in the British resolution at the U. N. Security Council last week, indignant protests came from Arab delegates who shouted their opposition to any kind of peaceful settlement on a mutually acceptable basis and instead called for the liquidation of Israel.

The U. S. S. R. delegation then quickly bowed to the Arab will and joined in the demand for removal of the offensive words, notwithstanding their Communist authorship.

I regret that the Western powers yielded to the pressure of the anti-peace coalition of the Soviet-Arab axis. The words were removed. As adopted, the resolution has little meaning. But the debate had sinister implications because it revealed very plainly that the Arab States have grown bolder in their outrageous clamor for Israel's disappearance.

Moreover, the U. S. S. R. is now unmasked as insincere and hypocritical. Anxious to pursue the Arabs, it is ready to repudiate its own undertakings as a

peace-loving member of the U. N. Its words have no meaning for honest men. They are cynical camouflage for an unremitting conspiracy against freedom.

Mr. Chairman, this experience demonstrates, above all, that our Government dares not rely on the U. S. S. R. as a partner to promote and preserve the peace in the Middle East. If the administration thought it could avert the rising danger and prevent war in the region by resort to United Nations machinery, it was dangerously deluding itself. For as much as we believe in the United Nations and support that body, we must face the unpleasant reality that action on the Arab-Israel conflict is always impeded and blocked by the perennial threat of a Soviet veto.

At this point, Mr. Chairman, I would call the attention of the House to editorials on this affair which appeared in the New York Times of June 2 and June 5 and the Washington Post of June 6.

I shall include them at the conclusion of my remarks.

In the light of what happened last week, the administration must take a new and harder look at its own policy in the Middle East.

It may be that the administration has some secret grand strategy to counteract the military imbalance resulting from the Communist arms shipments and their propagandist and subversive conspiracy with some of the Arab leaders.

But if there is such a strategy, it has not been revealed to us. On the contrary, there is a widespread impression that we are not ready and that we are relying largely on hope. The administration has not yet taken any action to implement the Tripartite Declaration of 1950. There is a growing fear that the administration has walked away from the commitments in that declaration. I hope that this is not true. But I wish the administration would give us some positive reassurance.

Early in the year, I thought of offering some kind of legislative program which would reaffirm our determination to stand behind the declaration of 1950, to make it absolutely clear to any potential aggressor in the Near East that we are determined to preserve the U. N. armistice lines and that we will not permit any dangerous arms discrepancy.

But it seemed premature and presumptuous for an individual Congressman to attempt a solution of a problem that was taxing the interests and energies of the Department of State and the members of the congressional committees charged with the problem.

I had hoped that some concrete program might be developed under the Mutual Security Act. I regret that there is not a word in the bill which suggests any recognition of the danger or promises any action to meet it.

The administration is here asking for more money for arms for the Middle East. The testimony shows that the administration plans to provide additional arms to Iraq. A special study mission of the House Foreign Affairs Committee tells us on page 52 of a recent report that "as a member of the Arab League, Iraq opposed the creation of the State of Israel,

participated in the war against that state and is still technically at war with her."

It is idle for the administration to explain that Iraq has no common frontier with Israel. The lack of a common frontier did not prevent Iraq from invading Israel in 1948. Furthermore, the report of the committee to which I have just referred shows that the administration offered to give arms to Egypt in July 1953; it offered to give arms to Saudi Arabia in January 1953; it has sold arms to Egypt and it is selling arms to Saudi Arabia now.

Now I am not going to vote against this bill because of the arms shipments to Iraq, despite any reservations that I might have about sending arms to any Arab country in advance of an Arab-Israel peace.

I do ask, however, how the administration can possibly claim to be fair, friendly and impartial in the Middle East when it donates arms to Iraq, a country which can afford to buy them with its substantial income in oil royalties, and at the same time refuse to act on Israel's request for arms which was first submitted more than 4 years ago. From the very moment that the Communists began shipping arms to Israel's hostile neighbors, to Egypt and now to Syria, we should have been ready to meet that challenge by supplying arms to Israel. Of course, none of us like an arms race, but we must not allow the Communists to win an arms runaway at the expense of a little country in the Near East which stands firmly committed to democracy and Western civilization. Let us for once support our proven friends.

Mr. Chairman, we have all heard the argument that if we allow Israel to get arms from us, it may throw the Arab countries into the arms of the Russians, and that we must do nothing that might in any way irritate or provoke the Arabs into that kind of maniacal suicide. But that reasoning is dangerous because of its implications. Does it mean that we will abandon friends any time any country threatens to go Communist? Is this the way to promote democracy in the Middle East? Can we make any impression on the uncommitted millions of the Middle East and Asia, can we win their allegiance to democracy and freedom, if we allow a little democracy to become an expendable hostage to Communist conspiracy and Arab blackmail?

Is there any wonder our prestige and friends are vanishing?

Mr. Chairman, I am also familiar with the indirect approach to this military problem, which is to let our allies provide arms to Israel the while we remain aloof so that we can preserve some kind of independent status as a peacemaker. I don't think this tactic deceives anybody, because the Arab states blame us for anything our allies do. They will be satisfied with nothing less than Israel's complete isolation. Furthermore, I do not believe that we can come into the Middle East in the role of an impartial peacemaker if we have offered and supplied arms to one side and refused them to the other. We cease to



be impartial when we are immobilized by Arab threats. The result of our inertia is that we have whetted Arab appetites for greater and greater concessions at Israel's expense while the Russians supply them with the weapons to carry out their hostile plans.

Mr. Chairman, we will not meet the Communist threat to the Near East by wishing it were not there, by burying our heads in the scrap pile of expurgated resolutions at the U. N., by accepting Communist protestations even as they are recanting them.

The exhibition at the U. N. last week shows that the situation has deteriorated. The Middle East is further from peace than at any time since 1948. I believe that this is due largely to Communist maneuver and conspiracy. But I also believe that it is partly due to a failure on the part of the West to respond to the threat firmly and effectively.

I hope that the administration will soon take a more realistic and decisive position. Surely the debate at the Security Council argues for a policy which says what it means, says it firmly and vigorously, and then moves forward to carry it out.

[From the New York Times of June 2, 1956]

#### THE TRUTH ABOUT PALESTINE

The United Nations Security Council has been spending some tedious hours this week wrestling with the wording of a British resolution that expressed hope for a lasting peace in Palestine. The delay that kept the Council working overtime was due mainly to the reluctance of the Arab states—Lebanon, Syria, Jordan, and Egypt—to admit that the State of Israel legally exists and to give up, for good and all, their ambition to drive the Israelis into the Mediterranean. For this reason the discussion yesterday, still incomplete, was postponed until Monday afternoon.

Not one Arab speaker said one word to indicate that he felt the awful responsibility of restoring or maintaining peace in the Near East; not one showed the slightest understanding, or desire to understand, the urge that drove so many abused and harassed individuals into the ancient land of Palestine, to set up a new commonwealth and labor for a new hope; not one welcomed the kind of peace that might result from accepting Israel as a neighbor; each, without exception, seemed to be waiting for the ultimate catastrophe that by wrecking the Mediterranean world, and perhaps all the Western World, might destroy the tiny State of Israel.

These assertions are not rhetorical. The fault the Arabs found with the original British resolution was that it used words suggesting, however vaguely, that a peaceful and permanent settlement of the trouble between Israel and her Arab neighbors might be reached. The Arab spokesmen wouldn't have this. They regarded it as an offense for the United Nations to endorse, or the Secretary General to attempt, any solution that might put an end to the suffering and suspense in the Near East and open the way to peace and prosperity for all. They stuck to medieval notions that are now as out of date as chain armor, spears, and battleaxes.

Listen to the Syrian spokesman, Ambassador Ahmed Shukairy, speaking Thursday afternoon. He referred to Palestine—that is, the State of Israel, recognized by our own and most other governments, received in 1949 as a member of the United Nations—as "part and parcel of the Arab homeland." He went on to say:

"To advocate the idea of a mutually acceptable solution must inevitably lead to a

reversal of all the resolutions of the United Nations. \* \* \* We must begin from the beginning. We must start de novo on a clean sheet. Everything written by the United Nations should be written off, ever since the November 29, 1947. [This was the date of the U. N. partition resolution.] The establishment of Israel, its membership in the United Nations and all other resolutions will have to be revoked. Then, and then only, the United Nations can look forward to a solution 'on a mutually acceptable basis'."

We have to put this remarkable utterance into the context of a debate over Mr. Hammarskjöld's patient and impartial efforts to stop the killing in the Near East. Mr. Hammarskjöld reported, as in duty bound. He has kept—so it seemed to most observers—within the limits of the April 4 resolution, under which he has gone to Palestine. He had received assurances from all the parties, the four Arab States necessarily included, that they would try to reduce border squabbles and accept an increased and improved measure of U. N. supervision. There is every indication that the Arab States and Israel gave the assurances in good faith. But if we judge by the Arab arguments in the Security Council this week this good faith was in the Arab case of a temporary nature. Given an opportunity, one had to conclude, the Arabs would pounce on Israel.

Neither side in the Near Eastern troubles has been without blame. Each side has unnecessarily taken innocent lives. But the Israelis are now willing to settle and end the bloodshed. The Arabs, if their spokesmen truly represented them this week, are not ready to do this finally and for all time.

[From the New York Times of June 5, 1956]

#### U. N. HAS A BAD DAY

The United Nations and the Security Council never seemed weaker than they did yesterday when the Council allowed four Arab States, aided and abetted by Russia, to take out of the Palestine resolution the words that expressed hope for "a peaceful settlement on a mutually acceptable basis."

The Arab States, for which Syria was the most vociferous spokesman, were at least consistent; they have not concealed their desire to get rid of the little State of Israel, which, though they outnumber it 20 times over, they pretend to fear.

The United Kingdom and the United States were not inconsistent, either. They yielded in the interests of "unanimity," and achieved it—a mistaken course, we think, but not an ignoble one. But what is, or ever was, wrong with a "mutually acceptable settlement" in place of bloodshed and hate?

The Soviet Union, denouncing Stalin, as its new rulers are now doing, behaved as that dead and dishonored potentate would have done. On April 17, in Moscow, in a press conference sponsored by Vyacheslav M. Molotov, who was then Foreign Minister, they appealed for "a stable, peaceful settlement of the Palestine question on a mutually acceptable basis." The words were picked up and again endorsed by Russia in the joint communique issued by Prime Minister Eden and Premier Bulganin on April 27. Sir Pierson Dixon, British Ambassador to the U. N., certainly had every reason but one to believe that if he put them in his resolution the Russians would accept them. The one reason he overlooked was that Moscow is seemingly as ready as ever to betray its promises and assurances for a brief and mean diplomatic advantage.

And perhaps it is not even an advantage. Perhaps this episode will show skeptics, by contrast, that honor, courage and pity are in the end winning qualities. Perhaps the U. N. will be the stronger if this one act of folly opens its eyes to the eternal truth that empty compromises win no victories, and that in the end principles worth defending must be defended.

[From the Washington Post and Times Herald of June 6, 1956]

#### AGREEMENT ON AN ILLUSION

Unanimity on the next steps in the Middle East dispute has been purchased in the United Nations at the expense of a resolution so watered down as to be almost meaningless. The Security Council resolution finally filtered through the Arab and Soviet objections, authorizes Secretary General Hammarskjöld to continue his good offices to obtain compliance with the 1949 armistice, but pointedly omits any reference to settlement. In effect, Mr. Hammarskjöld will be permitted to urge peace as an objective so long as he avoids all mention of specific means for bringing real peace about.

The performance of the Arab States in the U. N. debate set something of a new low. The Arab delegates persistently refused to acknowledge the fact of Israel. Syria established the pattern by asserting that Israel was really a southern extension of Syria. The Syrian Ambassador to the U. N. also insisted that all U. N. actions on Palestine must be reversed and Israel, in effect, be legislated out of existence—a logical companion piece to the disgusting television performance in which the Syrian Ambassador in Washington demanded the erection of a screen between himself and the Israeli Ambassador.

But this performance, while deplorable, was not surprising. What made the difference was the capricious Soviet support of the Arab position. The deleted section of the British resolution, citing consciousness "of the need to create conditions in which a peaceful settlement on a mutually acceptable basis" would be possible, was adapted almost word for word from the Eden-Bulganin communique at the conclusion of the Soviet visit to London. Have the Russians now repudiated their announced willingness to work for stabilization in the Middle East? Does their continued whetting of Arab intransigence mean that they want a little peace but not too much?

Their tactics on the British resolution certainly would indicate as much. That being the case, the question is whether an essentially phony agreement has not been purchased at a high price, and whether it might not have been better for the Western powers to hoist the Russians on the inconsistency of their own words.

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

(Mr. FRIEDEL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FRIEDEL. Mr. Chairman, I would like to join in the well-deserved tribute which has been paid to the highly esteemed chairman of the Foreign Affairs Committee, Hon. JAMES P. RICHARDS. I, too, was very sorry when I learned of his decision to retire from Congress. He is a man of great ability, integrity, and honesty. His adept handling of foreign affairs legislation has earned him a reputation which is known throughout the world. He has served the people of his district, his State, and his country with distinction, and will be greatly missed by this House, but his wise counsel and leadership will be long remembered.

Mr. Chairman, since my election to Congress, I have supported the mutual-security program because I believe that it is necessary to the defense and security of the American people and an essential factor in our fight against the increasing spread of international communism. However, when you look around the world today, it makes you wonder if our



money is being spent wisely. Under the present administration our foreign policy has been totally inept and vacillating to such an extent that America is now losing its position of world leadership. We have lost friends all over the globe. Looking around the world we find the state of tension in the Middle East, uprisings in Cyprus, Formosa is in danger of being bombed by Red China, things are not running smoothly in Korea, Cyprus is a hotbed, Vietnam is a state of chaos.

Mr. Chairman, I have followed with growing apprehension the weakness of our foreign policy in countering the effects of Soviet penetration of the Middle East. We have been weakly on the defensive ever since the Communist bloc began to send millions of dollars of jet planes and modern arms to Egypt. The hopes for peace that were raised when we initiated the United Nations mission of Secretary General Dag Hammarskjöld to the Middle East have been dashed by our acceptance of the recent U. N. resolution on the Middle East. This has been rendered meaningless by the connivance of the Soviet Union and the Arab States to eliminate the paragraph calling for a mutually acceptable settlement, between the Arabs and Israel. The fact that the Soviet Union yielded to Arab demands and repudiated its own language, which it formulated with Great Britain, should be proof to us that we cannot count on that state for cooperation in working toward peace in the Middle East.

Meanwhile, the Soviet Union is continuing to send arms to the Middle East and is reported to have negotiated an agreement to send Syria over \$25 million worth of Soviet-bloc arms. This administration says it wants to preserve peace in the Middle East, yet our country, too, is contributing to the arms race by arming Iraq and including that country in this mutual-security program for additional arms. This will probably stimulate additional shipments by the Communists to Egypt and perhaps other Arab countries, and thus further upset the arms balance to Israel's disadvantage and danger.

The tiny State of Israel is the Western World's bulwark against the atheistic forces of Communism in the Middle East. Therefore, is it not natural and proper for us—as good Americans—to aid and assist our sister republic in that important part of the world?

How can we continue to refuse to send arms to Israel on the ground that we are opposed to an arms race, when at the same time we send arms to Iraq and Saudi Arabia? It does not make sense.

I quote from page 9 of the report on the bill we are considering: "The Committee was reassured both on and off the record that the program does not include any money or plans for military aid to Israel or to the Arab states bordering on Israel." The claim that Iraq does not border on Israel is a specious one. Iraq invaded Israel in 1948 and it has never ceased to hurl threats of war and invasion against Israel. Nevertheless, we are rewarding Iraq for her role in the Baghdad Pact and we are continuing to send

her millions of dollars of arms at the expense of the American taxpayers, although she is well able to pay for these weapons out of the vast proceeds that she receives for her oil.

What we have gained by this one-sided application of our policy of so-called impartial friendship is difficult to understand. Our course in the Middle East should be devoted to the strengthening of Israel as a democratic force capable of deterring aggression, blocking Communist penetration and staving off war by allowing her to obtain here the arms that she needs for her defense. We must make crystal clear to the Arab states that in the interests of freedom and democracy we will permit no aggression against Israel. Only then will it be possible to enter the long path that will result in a just peace for all.

I note in the press that the President says he will reevaluate certain phases of our foreign policy. The bill we are considering here today is an authorization bill. In a few weeks we will receive the appropriation bill containing funds to carry out the Mutual Security program. I hope that when this money bill reaches us, it will not contain any funds for arms to Egypt and the Arab countries.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to make a few observations and comments on certain statements that have been made. A few moments ago the gentleman from Michigan [Mr. HOFFMAN] called attention to the activities of the State Department. Apparently the State Department has its nose in about everything that goes on in Washington. Witness the fact that that not long ago when the farm bill went through the Senate a Member took the floor and said he was offering three amendments on behalf of the State Department and, furthermore, that the State Department had instructed him to obtain rollcalls on each of the three amendments. The State Department is trying to run the affairs of this Congress, the Pentagon, the farmers, and every other department and agency of Government.

Mr. Chairman, it is going to be interesting this afternoon to find out just how many coattail riders we have in the House of Representatives; to see how fast that population increases. I am for the Bentley amendment to cut this bill, and I want no part of any coattail riding procedure here this afternoon. I will certainly support the committee cut if the Bentley amendment fails.

I have been interested in the fact that at last the businessmen of this country seem to be awakening to the insidiousness of this multibillion-dollar foreign-aid program. The other day I came across a bulletin entitled "Federal Spending Facts," issued by the Council of State Chambers of Commerce. Incidentally, the Texas Chamber of Commerce is a member as well as the Chamber of Commerce of Indiana. I am not sure about Massachusetts. Let me quote briefly from this bulletin with respect to

this foreign give-away bill. And, when I say "giveaway" I am using the language of the gentleman from Ohio [Mr. VORYS] as found in the hearings. Let me quote an excerpt or two from that bulletin:

In a report on overseas economic operations submitted to Congress a year ago by the Hoover Commission, a majority of the Commission expressed concern with the continuing large outlays for foreign aid. \* \* \* They concluded their separate statement in these words:

"Surely, after almost 10 years, the time has come to apply some brakes to this overseas spending program. We believe, therefore, that the Commission should recommend substantial reductions in expenditures for this purpose. By no other means will the growing trend toward permanent foreign spending be halted."

That is from the Hoover Commission. The Council of State Chambers of Commerce says further under the title "Best Hope for Curtailment Is Congressional Action":

Certainly there is no reason to believe that any real moves to curtail foreign-aid spending will emanate from the bureaucrats who administer the program. Such action simply is not in the cards because the bureaucrat is rare indeed who finds reasons and offers recommendations for abolishing jobs.

Accordingly, large-scale foreign aid is likely to burden the American taxpayer for years to come unless Congress assumes the full responsibility of cutting it off.

No truer words have been written.

A few moments ago the gentleman from Vermont [Mr. PROUTY] spoke of the expenditures for defense by foreign governments as compared with their national gross products, and he said that many foreign countries were spending almost as much as we are. Well, what are some of the figures? We are spending 11 percent of our national gross product for defense. Belgium and Luxembourg, 4.5 percent, Holland, 5.9 percent, Denmark, 3.2 percent, France, only 7.8 percent, although they are in a war. Turkey, 5.7 percent, and Spain, 4.3 percent.

Incidentally, I want to call attention to the hearings on this bill. I have read these hearings, and I find that Congress is operating more and more in a vacuum. You will find on almost every page—at least every other page—a dozen off the record discussions and security deletions. Let me read you one of the deletions for alleged security reasons:

Mr. VORYS. I was asked by a young student yesterday whether it was true that the French divisions in Algeria (security deletion) are armed with American arms and using American ammunition in putting down the rebellion there. I got to thinking. I said, "I don't know where else they have gotten any arms except from the United States."

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(Mr. GROSS asked and was given permission to proceed for 2 additional minutes.)

Mr. GROSS. Here is a question asked by a young student and there is even a security deletion in his question. That is what you have to contend with when you read these hearings. If you can get any real facts out of them, you are better than I am, believe me.



Going back to the figures on national gross product spent for defense, Greece, 6.3 percent; Italy, 4.4 percent. Only one country exceeds the expenditures of the United States out of the gross national product for defense, and that is Yugoslavia. Dictator Tito spends 11.6 percent of that country's national product for national defense. Certainly we are not going to get any help from the Yugoslavs.

The gentleman from Minnesota [Mr. Judd], a few moments ago said that unless this bill is approved it will be necessary to extend the period of service for American conscripts. How many foreign countries have extended the period of service for their men? As a matter of fact, the gentleman from Minnesota [Mr. Judd] very well knows that foreign countries, upon which we have lavished billions of dollars, are cutting the periods of service of their men. And Great Britain today is threatening to withdraw 1 of its 2 or 3 divisions from NATO, leaving us to hold the sack.

Yes, Mr. Chairman; if we have any genuine regard for the taxpayers of this country this bill ought to be slashed even deeper than the pending amendment proposes. Much too long have we picked the pockets of our own people while these foreign governments dragged their feet.

Our greatest security and the world's greatest security is a strong defense, coupled with the very best offensive weapons, based upon the North American Continent rather than in the hands and under the authority of unreliable allies.

Mr. KLEIN. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. KLEIN asked and was given permission to revise and extend his remarks.)

Mr. KLEIN. Mr. Chairman, I was very much impressed by the statement made by the gentleman from California [Mr. ROOSEVELT] a few minutes ago. It really expressed my own sentiments. I have always supported this foreign-aid program. Every Member knows I am an internationalist. I think what we need more than anything else today is friends throughout the world. It seems to me that since this administration has been in power, however, we have been losing friends all over the world while the Soviets have been gaining them. Yet we have been spending this money. But what good has it been doing?

As I say, we must have friends throughout the world. I know we cannot buy them. But here we are spending all this money and yet we are losing many of these countries. So there is something wrong somewhere.

I supported this program mainly because it was a continuation of the Truman program. And it was effective in the Truman administration. But what is happening today? But since this administration has been in power, it seems we are dissipating all the good feeling in the world toward us. It may very well be that we ought to have this money. I may vote to restore these cuts. But I would be doing it with a good deal of trepidation, because the question in my

mind is, are we doing the right thing? Where is the money going? What useful purpose is it serving? It does not appear that we are not getting too much value for our money.

I hope the Members of the House give this matter some thought, because I know that many of them feel as I do, that we have got to help our friends throughout the world. But in some cases, we seem to have spent money which, as has been pointed out by some Members, has been used against us.

Is not this a time to stop and think and reevaluate? I received a letter today from a man in my district who is 87½ years old. He pointed out to me that he has always been in favor of these foreign-aid programs. He gets \$57 a month in social security. He says, "How is it possible for me to live on that? We are spending billions of dollars all over the world. Don't we know that charity begins at home?"

I never was a believer in that philosophy. I felt that even if we had to make sacrifices at home we should help our friends abroad because in the long run that would be helping ourselves. But it is not having that effect at this time.

Mr. HAYS of Ohio. Mr. Chairman, would the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Does the gentleman realize that if he finally makes up his mind to vote to restore this cut, under the vaunted flexibility that they talk about in this program, he would be voting to make it possible for the Pentagon to give even more arms to the Arab States?

Mr. KLEIN. I want to say to the gentleman that I have a great deal of admiration for him. It was his statement here that made me revise my thinking about this, and I have not yet made up my mind.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the short time I have been here I have supported mutual security and foreign aid, but the further this debate goes the more questions I am finding in my mind. Certainly the gentleman from Wisconsin [Mr. O'Konski] made a very excellent statement a little while ago with reference to a gentleman in Europe by the name of Tito. I am just curious to know how much of this \$600 million increase which the amendment calls for is going to that particular country. If I understand it correctly, the military aid which is being given to Yugoslavia is classified information. May I ask the chairman of the committee or the gentleman from Ohio [Mr. Vorys] if it is correct that the military aid to Yugoslavia is classified information?

Mr. VORYS. Yes; all military aid is classified.

Mr. SISK. Is it true that Tito is a Communist?

Mr. VORYS. Yes.

Mr. SISK. Do I understand it is all right for the Communists to have information on how much American money they have, still we as Members of Congress and our people are not entitled to that information?

Mr. VORYS. I think Tito knows it, but I doubt if the rest of the Communists know it. It has been the policy not to make those figures public for security reasons, not only as regards our enemies but also because the different countries should not be familiar with what other countries get. That has been the practice for about 9 years.

Mr. SISK. Does the gentleman mean to say that he believes that Tito will not inform Mr. Bulganin and Mr. Khrushchev of the situation that exists so far as financial aid from the United States is concerned, in view of the fact that he is over there right now engaging in a love feast and is fully back in the family?

Mr. VORYS. I doubt whether Tito would tell Bulganin and Khrushchev just what he has got. I think he is still a rather independent character.

Mr. SISK. I want an answer to this question. My people must hold me responsible for spending billions of dollars all over the world, and yet you say that a Communist has a right to know what we are spending money for, but we as Members of Congress may not even know. That I cannot explain to my people.

Mr. JUDD. If the gentleman will yield, I would agree with him that that was an accurate statement regarding funds appropriated previously. I think I might come to the same conclusion regarding information withheld on aid given in the past. But the real reason for the figures being classified for aid in the future is that there is no promise to any single country in this bill, and the administration does not want to have a figure publicized for any country, for then it can say, "The Congress has passed a bill in which it pledged us twenty, forty, or sixty million dollars." The administration properly wants always to have complete control of the program. So they bring us their estimates in confidence. They are classified information. As the thing looks on a given day, they think it would be advisable to allocate so much here and so much there. But those are never fixed figures, and the minute the estimates become public, the nations concerned tend to believe they have a right to those amounts, because they think Congress has pledged them.

(By unanimous consent, Mr. Sisk was given permission to proceed for 5 additional minutes.)

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. Evidently the military and the State Department do not even trust in executive session the members of the Committee on Foreign Affairs. You pick up the newspaper of today and you will find that the article says, "Arms Aid to Tito Bottled Up." Evidently they did not even inform the members of the Committee on Foreign Affairs in executive session that they were doing it. The point is that they are finally beginning to see the mistake that we tried to have them see a year ago, and they do not have the guts to say they are bottling it up, they say, "We are not working on it any more."



Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Minnesota for a short statement.

Mr. JUDD. Doubtless all these countries know what we have promised them in the past from previous appropriations, but not a single country has a promise of any specific amount of money, economic or military, in this bill before us.

Mr. SISK. Does the gentleman mean to say that the Pentagon and the people who are going to administer this money have no idea how much money they are going to give Yugoslavia or any other country? Are we going to be asked to give them a blank check?

Mr. JUDD. No. They presented to us their estimates. The figures in the table on pages 3 to 6 are the totals of the classified figures for the individual countries. The minute you publicize such a list, however, as the gentleman will immediately recognize, the countries affected will think they have pledges of those amounts. Suppose those in charge of the program want to cut down here or there as situations change. We do not want them frozen. Our Government needs to maintain control of the program. It must have flexibility. That is the reason the exact figures are not stated in the bill.

Mr. SISK. I yield to the gentleman from New York.

Mr. DONOVAN. As I understand it, when this colloquy started you had in mind a question about Yugoslavia. Is that correct?

Mr. SISK. That is right. I had.

Mr. DONOVAN. You might be interested in this information I picked up in a Central European country last year from the head or the near head of one of those countries. I asked him point blank, "Do you expect at any time in the near future, in view of the fact that Yugoslavia is 95-percent non-Communist, to ever see the light of day of freedom in Yugoslavia?" He stroked his chin, and he said, "Well, sir, not as long as you in the United States keep bank-rolling Tito."

Mr. SISK. Of course, the point I had in mind in taking the Committee's time—because I am not an expert on foreign aid, was that I am going to be held responsible, and I think rightly so, by my constituents as to how I vote on this particular amendment, and I still do not have an answer to the question as to why we as Members of the Congress of the United States, representing 166 million people, are denied information that is given to Communist countries.

Mr. HAYS of Ohio. Will the gentleman yield?

Mr. SISK. I yield.

Mr. HAYS of Ohio. I will say to the gentleman that all of this business you have heard about Tito not telling the Kremlin what he is getting, you can put down as so much boloney, because he is not only telling him what he has got, he is telling them what he has already gotten and what he expects to get. He is saying to them, "Are you going to match it or do better?" In other words, he is using that as a lever to pry some

assistance out of them. And let me say to you that Mr. Nasser in Egypt is getting wise and doing the same thing. The military came in with a figure, but they say it is classified. Once in a while they slip up and they come in with a figure that they are going to give a couple to the Arab States that they had never given before, and when we pinned them down they said, "That is a mistake." The reason they do that is to cover up what they are actually giving.

Mr. SISK. Would not the gentleman agree that that is a good example that we are, in essence, giving a blank check to the Pentagon without any idea of being able to justify what we are doing? Is that not one reason why we are not getting any results?

Mr. HAYS of Ohio. That is exactly right, but if the gentleman votes for this amendment he can tell his people "I wrote them another blank check for \$600 million."

Mr. SISK. I am not going to vote for this amendment. I am going to vote against it unless someone can give me an answer to the question as to why a Communist country, a Communist leader, a man who is in Moscow embracing the head of world communism, is given information with reference to the spending of American taxpayers' dollars, information that we as Members of Congress cannot have. I think it is ridiculous, unfair, unjust, and an insult to the American people.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. MULTER. I am about to reveal another secret that has been classified. I find on page 15 of the committee report that they say that the request for defense support for Yugoslavia is \$30 million. Did somebody miss up on that? Did they declassify it by mistake? That is defense support.

Mr. JUDD. That is not military assistance.

Mr. MULTER. On the same page, however, they tell us the amounts for the same kind of support to our friends, Greece and Turkey are also classified.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from New York.

Mrs. KELLY of New York. You are going to have an opportunity, shortly I hope, to vote on aid to Yugoslavia. I am introducing that amendment right after this. If you vote to prohibit any aid to Yugoslavia, this section of the amendment will be so increased that you will not have to worry about the decreased cut.

Mr. SISK. I appreciate the remarks of the lady. As I say, I have supported foreign aid before. I would like to support it now, but these are questions that I feel are important to the American people, and I know they are important to my constituents in my district.

The CHAIRMAN. The time of the gentleman from California [Mr. SISK] has expired.

Mr. JUDD. Mr. Speaker, I ask unanimous consent that the gentleman may

proceed for an additional minute, that I might show him the sources of the information supporting the estimates.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Here, for instance, is the secret book that has the basic data regarding the military program for Europe, the Near East and Africa. In it are the figures and how they arrived at them, and the basis for their present estimates. Here is the one for Asia, and here the one for Europe. These contain the material on which the estimates are based.

Tito knows what he got in the past; he does not know what he is going to get, if anything, in the future, and neither does any other country.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. HAYS of Ohio. I would just like to ask the gentleman now that he has been shown these volumes if he knows any more about it than he did before?

Mr. JUDD. The gentleman from Ohio knows because he has seen and studied them in committee.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. MARTIN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 10 minutes.

Mr. MARTIN. Mr. Chairman, we have gone very far afield today. I would like to bring you back for a moment if I may to what we are really considering in a few minutes. We are going to vote upon the amount included in the mutual-aid bill.

Let me emphasize right here I believe if this item had been brought in for the mutual protection of the United States in a defense bill, as it might reasonably have been, there would hardly be a Member of this House dare raise his voice against it. Then the membership would realize we were jeopardizing the whole safety of our Nation.

This item is military aid that we are going to extend to people of other countries. It is to relieve us from having the entire burden of a future war.

Do we want to fight a future war alone? Or do we want some allies to aid us in the fight if it comes? We are going to answer this question shortly. That is exactly what we are saying through our votes.

To my Republican friends I would say this is a crucial part of the administration's program. It is the basis upon which is constructed the Eisenhower program for peace.

A few months ago I received a letter from the President of the United States



which I read for the information of the Members:

THE WHITE HOUSE,  
Washington, June 7, 1956.

DEAR JOE: No doubt you and other House leaders on both sides of the aisle realize full well, from our discussions in the White House and from my remarks yesterday to the press, the importance I attach to the pending mutual-security legislation. Nevertheless, to remove any possible doubt as to my feelings, I am sending you this letter. You may, if you wish, bring it to the attention of the entire House membership, so strongly do I believe that the pending issue concerns the security of our country.

Great consequences are involved in this legislation. In the present international situation, the free world can ill afford to move hesitatingly and uncertainly. The United States—the most powerful of the free nations—can afford least of all to take a backward step in this constant battle all of us are waging for a just and enduring peace.

I am deeply convinced that our Nation's security and our partnership with like-minded nations in the world will be seriously impaired by the extent of the proposed cut in the funds requested this year for the mutual-security program. I, therefore, hope most earnestly that the large majority of these funds can be restored. If we fail to do so, we must either eliminate essential programs or so reduce them as to cripple our entire effort.

I know that many conscientious people are of the opinion that there will be no serious results if a severe reduction in mutual-security funds is made at this time. Yet I personally, the Secretary of State, the Director of the International Cooperation Administration, and the Joint Chiefs of Staff are united in the conviction that the proposed cut will be hurtful to the best interests of our own people and to the well-being of our friends throughout the world. I do, therefore, urge that you and your colleagues in the Congress vigorously carry forward your efforts to restore to this legislation the funds needed to maintain the pace of our battle to win a lasting peace throughout the world.

With warm regard,

Sincerely,

DWIGHT D. EISENHOWER.

The Honorable JOSEPH W. MARTIN, JR.,  
House of Representatives,  
Washington, D. C.

Mr. Chairman, all of us who attended the meeting at the White House night before last, and it included the leadership on both sides of the aisle, were deeply impressed by the statements of the President of the United States. He is a soldier, he is a man who knows the military picture thoroughly. And I believe he is one of the most sincere friends that peace has in the world today. He is fighting for peace. No one can deny that the establishment of NATO has resulted to a very large extent in peace in Europe. Some nations are free today because the armed forces of NATO have acted as a deterrent to the Communists who were looking forward to see what country they might gobble up next.

We are in a much better era. Let us keep that way. I ask you in this tense period, in this hour of uncertainty, when the whole world is a bit panicky, when no one knows what is going to happen next, Are you going to turn down the views of the President of the United States? He is the only world leader we have whether we be Democrats or Republicans. Are we going to say to him

"We are denying the money you say is so necessary for the peace and security of our country?"

I do not believe you are. I just cannot believe it. I do not believe that we want to take this personal responsibility. As one individual I do not want to take that responsibility. Of course, I do not like some of these items that folks have criticized. As far as Tito is concerned, he is not for the moment affected. That battle will be fought out on another amendment to be offered later.

Is the whole security program to be wrecked by this drastic reduction? As the President himself said in the private conference the other night: Are we going to so badly jeopardize the NATO forces of Europe? Are we going to say to Russia because of a few smiles we are quitting in our defense program?

Mr. Chairman, it is just as simple as that. And let me remind you this is not an appropriation, it is an authorization bill. The situation may change from day to day. No one knows what tomorrow will bring forth. Why wreck the program now when in 2, 3 or 4 weeks another bill will come back here for consideration from the Appropriations Committee, at which time we will have a chance to review our judgment? We can have no second chance if the amendment is refused.

Mr. Chairman, I hope the Members will vote for the Hays amendment to restore what was generally considered to be a minimum the President needs to go forward with his security commitments. This is not all he has asked, but, it is the minimum amount he says is necessary to protect the security of this country. Whether you are a Republican or a Democrat, I do not think you can take lightly the warning from the President of the United States. You are taking on a lot of responsibility if you turn down the President and the result is a deterioration of our world affairs.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, I do not think the question of any Member's patriotism is involved in how he will vote upon the pending amendments or upon the bill. I think we can start with the assumption that we are all patriotic Americans and want to do the right thing for the security, safety, and the peace of our country and of the world.

I am not a confidant of the President, so I must take my information about what he says from the newspapers. Today I will take my quotations of what he says from a paper which is avowedly Republican but nevertheless fair in its reporting.

From this morning's New York Herald Tribune, I quote President Eisenhower's statement of yesterday. When his attention was directed to the situation in Yugoslavia, with reference to Tito and the Russian Communists, he said:

However, I do agree that where we stand has to be reevaluated.

This business of reevaluation has a familiar ring.

That reevaluation can take place, my friends, only by presentation of the facts.

The duty to reevaluate is as much yours as his. Today, we have been urged to support the President's request. Nobody has told us why we should do it except that he asked for it. No one has yet given us the facts on which to reevaluate and to act.

I have heretofore followed the President's foreign policy requests and relied upon his statements with reference thereto. I think we must leave him now. I do so based upon his statements made at this same press conference. I refer again to the same newspaper. He says that we cannot be too particular about the special attitudes of different countries and to the way his word "neutral" is used when we refer to neutral nations, because our country, said he, had been neutral for the first 150 years of our existence. "We were neutral in the wars of the world," said he.

Well, now, if that is as little as he knows about our history it may be indicative of how little he knows about the facts on which he wants us to act. Without his telling us the facts we cannot follow him. We must not follow him blindly.

Turn to the same newspaper on page 25. His good friend David Lawrence writes the article "Eisenhower Is Criticized for Theory of Neutralism." You will find there a fine summary of the first 150 years of the existence of this country and the instances when we were not neutral. Of course, we were right in not being neutral. Lawrence concludes his article with the quotation of these words of President Eisenhower:

The reason we help and assist others is in the belief that this will help us, also.

Now, if we are going to give military aid, let us give it to our friends. The only reason I have been able to justify voting military aid—and this amendment before you is for military aid—the only reason I have been able to justify my voting for military aid for Yugoslavia was because we were told—and I believed it, that we were taking a calculated risk—that when the chips were down she would be on our side.

The chips are down. Where is she?

The same newspaper, headline, front page "Tito Starts Talks, Lauds Soviet Cuts in Arms." And, to quote further from the same newspaper:

They—

Meaning Tito and Bulganin and Khrushchev—

are expected to erase any rift remaining between the Yugoslav president and the Soviet leadership.

Who is our friend? Where is our friend?

Economic aid I am willing to give in the hope of winning them over. I will go along with those of you who say: "We will not call it buying friends. We just want to win them over. But military aid to our friends and only to our friends, and once they show they are not our friends, do not give them another dime, do not give them another piece of material, do not give them anything that may be used against us or against our friends."



Mr. DONOVAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. DONOVAN. The gentleman realizes, therefore, or I gather he does from his remarks, that if this pending amendment passes, it would give the Executive and the Pentagon power to increase military aid to the Arab States and the Arab League if they choose to do so.

Mr. MULTER. That is only a small part of the problem that confronts us. I want to see peace in the Middle East, but I also want to see peace throughout the world. I am not willing to risk it in Africa, Asia, Europe, or any other part of the world.

If this program needs reevaluation, as the President says it does, let us reevaluate it. If necessary, let this Committee on Foreign Affairs, if the situation has changed since they closed these hearings, have some more hearings and get the new facts. Let us act on facts and not on mere requests.

There are political implications behind this, whether you believe it or not. The gentleman from Ohio referred to that. We, on the Democratic side, are asked to come forward and help the bipartisan policy, but the day after we do, we will have our heads handed to us, because we are Democrats.

I, for one, resent any President of our country sending a message requesting congressional action to a member of his own party rather than to the Speaker. The President, when acting officially, is President not of the Republican Party but of the United States. The Speaker is not the Speaker of the Democratic Party but of the United States House of Representatives.

Regardless of protocol, however, I refuse to vote as requested, unless the request is backed up by sound reason fortified by solid fact.

The CHAIRMAN. The time of the gentleman from New York has expired.

(Mr. MULTER asked and was given permission to proceed for 2 additional minutes.)

Mr. MULTER. I do not intend to and I do not want any Member of this House to assume the responsibility of impeding this program. As I said yesterday, it is a good program, but it needs good administration. It demands real leadership. I say in all good faith that none of us can exercise our responsibility until the facts are submitted to us. They have not yet been submitted to us so as to warrant supporting this Presidential request.

I say, let us stay here all summer, if necessary, and get the facts and then authorize on the basis of the facts.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I believe that inherent in the Hays amendment is the fact that there will be full aid included to Tito and Yugoslavia. The gentle lady from New York [Mrs. KELLY] and I are sponsoring an amendment later to cut out United States aid to Yugoslavia. If our amendment cutting out aid to Yugoslavia is adopted, there would then be a surplus

of funds which casts doubt on the necessity for the Hays amendment.

It should also be pointed out that this agency has 2½ years' supply in the pipeline under this program, and there is almost \$7 billion now unspent and carried over from previous years. Congress was originally asked to add \$4.9 billion for the current year, which we will do if we vote for the full amount of the request, as provided by the Flood amendment. If the administration reevaluates this current foreign aid program and reexamines it, and then comes back here in January and asks the Committee on Foreign Affairs to reconsider this matter, I am sure that our whole committee will give any such request every attention. We all certainly favor full support for NATO, and know the good work General Gruenther has done in building up this alliance.

Mr. MULTER. Is there any doubt that the gentleman's committee would resume hearings tomorrow if the President and the Secretary of State said that they had any new or additional facts for them?

Mr. FULTON. There is no doubt our Foreign Affairs Committee would cooperate fully. On the military-aid part of this program the last available figure from the Department of Defense is as of November 30, 1955, and the Defense Department has not been able to provide a more current regional breakdown of the pipeline figures. So nobody knows the figures exactly on this foreign aid program on which we are legislating.

Mr. MULTER. It is time we found out.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Connecticut.

Mr. MORANO. Is the gentleman going to vote against this bill?

Mr. MULTER. No, sir; I am going to support this bill as I have supported every similar bill that has come before the House since I first came here in 1947. I believe in this program if properly administered.

Mr. MORANO. If this amendment is approved, will the gentleman vote for the bill?

Mr. MULTER. I will vote for the bill whether the amendment carries or is defeated. But I think the amendment is not a good one. I am referring to the Hays amendment. It is addressed solely to an increase in military aid. I say, let us have some more facts before we act on any more increases to military aid.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. DAVIS of Georgia asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Georgia. Mr. Chairman, it has come to be a rather standard practice on the part of some of the Government agencies and departments to send up requests to Congress for more money than they want or expect to get. They anticipate that cuts will be made in the committee, and that when the amount requested has been cut, they will

still have left all that they wanted in the first place.

Whether this bill represents such an instance or not, I think that the amount requested is far too much. I am glad that the committee cut \$1,109 billion from the administration's request. But the amount carried in the bill should be reduced still further.

The Joint Committee on Nonessential Federal Expenditures has reported that as of July 1 the mutual security program will have an unexpended balance of \$6.6 billion. This amount, combined with the administration's requested authorization of \$4.6 billion, would push the total up to \$11.2 billion. Mutual security expenditures for the fiscal year 1957 have been estimated at \$4.3 billion. This would increase the unexpended balance to approximately \$6.9 billion.

The House Foreign Affairs Committee is to be congratulated for the \$1.1 billion which they cut from the administration's mutual security request of \$4.6 billion.

I feel that still deeper cuts could be made, and should be made. There can no longer be any justification—moral, economic or practical—for the continuation of this worldwide free spending program which calls on the American taxpayers to support the entire world.

The inclusion of Communist Yugoslavia in this bill is a serious affront to the American people. I cannot see how, with any sense of conscience, we could possibly allocate \$30 million, plus a further sum, the amount and purpose of which is not disclosed in the bill or the committee report, to any country so closely allied with an avowed enemy. At the very time we are sitting in this Chamber, Marshall Tito of Yugoslavia is paying a state visit to Moscow. His antics and his general conduct in that capital erase any doubt that might exist as to which camp he and the Yugoslav nation belong.

On the occasion of this visit, Tito stated that never again will the Communist nations be divided. Thus, he cemented the relationship between Yugoslavia and the Soviet Union, binding them once again to the pursuit of their common objectives—destruction of the free-enterprise system and ultimate conquest of the world.

This unofficial alliance seems well in line with the ever-increasing cordiality and spirit of union which has existed between Yugoslavia and the Soviet Union since the death of Stalin.

It seems unthinkable to me that we could seriously consider the allocation of military aid to a political system which actively plots our own destruction.

In addition to this mysterious amount which the administration would grant Communist Yugoslavia, another \$80 million has been requested for India. This is a 30 percent increase over the amount which Congress voted to give India last year. Through our foreign aid program, the American taxpayers have financed the expansion of fertilizer factories, have built schools, houses and power projects, dug irrigation wells, rehabilitated India's railroads system, and have made additional loans to the amount of \$230 million with which India



could buy grain and other commodities on the world market.

During this period, India has come to adopt the attitude that the United States is obligated to send a donation each year as payment for India's not joining the Soviet bloc. The truth of the matter is that the relationship between India and the Soviet Union is such that it is difficult to say that she has not already sided with the Communists. Their pro-Communist position on practically every issue dividing the free world from the Soviet bloc is eloquent testimony to the value of the nearly \$600 million in foreign aid which we have given India since 1950.

The triumphant tour of Premier Bulganin and Party Secretary Khrushchev to India raises serious doubts as to whether or not India can still be considered a neutral. The glowing tribute which Nehru paid to these two and to the Soviet system strongly suggests that India has abandoned neutrality altogether, and has become a true friend of communism.

Yesterday, the so-called neutral position taken by India in world affairs was compared to the neutrality of this country during the early days of the Republic. However, it was pointedly ignored that while India professes to be neutral she is, in effect, closely allied with Russia, and has used her middle position to play both ends, taking money from the Soviets, as well as from the United States.

The nearly \$600 million in foreign aid which we have given India since 1950 has not achieved friendship. In fact it has not even been achieved cooperation.

The House Foreign Affairs Committee report, which accompanies this bill under discussion, carries on page 3 the Administration's request for Egypt. As you will note, the total amount which is requested is not disclosed. We know that under title III, Technical Cooperation, the request is \$3,800,000. However, under title II, Development Assistance, the amount is held in secrecy. Congress is being called on to approve, and the American taxpayers are being called upon to finance, adventures of some nature the amount of which and the character of which is not to be disclosed to them.

This same example is repeated in nine other countries in the Middle East and Africa. I have been told that the reason for this is to prevent further inflaming the already war-sensitive atmosphere prevailing in the Middle East.

Certainly no reputable bank would lend its depositors money completely without collateral without knowing how the money was to be spent. Yet, this is precisely what the foreign-aid spenders are asking Congress to do—they would have Congress appropriate billions of dollars, a substantial part of which will finance programs which they maintain that Congress and the American people have no right to know about.

Arms shipments from Czechoslovakia to Egypt threaten to upset the balance of power and plunge that entire area into a bloody war which could easily spread to adjacent areas which are of considerable interest to the defense efforts and security of this country.

While it is true that this bill does not include any military aid to Egypt, it must be recognized that any aid will materially add to the economic strength of Egypt, thereby increasing her warmaking potential. I do not want to give the impression that I am opposed to Egypt bettering her economic position. Egypt has every right to want to improve the standard of living. However, I seriously question the wisdom of spending American dollars to strengthen any country which has, in the past several months, drifted closer each day toward the Soviet bloc.

The June 1, 1956, issue of U. S. News & World Report, under the heading "Worldgram," carries a story saying:

The efforts to make an arms deal with Red China is merely another move in the Egyptian drift toward the Soviet bloc. Not only is Egypt placing major dependence on Soviet satellites for arms. . . . Egypt is also being rapidly integrated into the Soviet economic orbit.

This report goes on to say that Egypt has concluded trade deals with East Germany, Czechoslovakia, and Rumania, all under the domination of the Soviet Union, and that Soviet Russia's Ambassador has recently made Premier Nasser a gift of a Soviet transport plane.

From any other source, these transactions could be regarded as normal. However, bitter experience has taught us that the Russians are not in the habit of giving anything without receiving heavy concessions in return.

In the hearings held by the Foreign Affairs Committee during March, April, and May of this year, it was revealed that the United States is expecting to obligate itself for \$54 million for the Aswan Dam to be constructed on the Nile River.

It is to be a tripartite project with the Governments of the United States, Great Britain, and Egypt participating.

As the record of these hearings reveals, Egypt is having considerable difficulty raising her share of the total cost of the dam.

As least one member of that committee was convinced that Britain had withdrawn her support from the project. This leaves the United States squarely in the middle between two forces; one who cannot pay and one who, exercising better judgment, will not pay. What course is open to us if we should obligate ourselves for \$54 million only to learn at some later date that additional money would be needed? There is no doubt in my mind that in such an event, the free spenders in the State Department would call on Congress to approve whatever portion Britain refused to pay and whatever portion Egypt could not pay.

The completion of the Aswan Dam will bring under cultivation 1,300,000 acres. The principal export crop in Egypt today is cotton. Thus, simple logic dictates that their leading barter crop will be increased.

Cotton acreage in the United States has steadily decreased during the past 5 years as a result of overcrowded world markets. In 1951-52 cotton farmers in this country harvested 26.9 million acres of cotton. By 1954-55, this acreage had been reduced to 16.9 million acres—a

reduction of 10 million acres. During this time, the cotton acreage in Egypt was increased by 264,000 acres and our surplus warehouses have steadily grown larger and larger. The 1,300,000 acres of desert land which the dam will transform into rich, farm land will work toward increasing the hardships now faced by the American cotton farmer and will have a serious impact on the entire agricultural economy of this country.

Today our national debt is nearly \$278 billion. Of this amount, approximately \$55 billion has been doled out to the four corners of the earth in economic and military aid, since the end of World War II.

One million dollars of this amount was used to help Denmark retire her national debt, while our own national debt soars at dangerous heights.

Two hundred million dollars of this amount was used to finance a tax cut in England before the last general election. Yet, taxes in this country continue at nearly the confiscatory stage.

There are but a few examples of the extremes to which this foreign aid program has gone since its beginning.

The \$1.1 billion which the Foreign Affairs Committee cut from the administration's request is a positive step in the right direction. In my opinion, however, they have not gone far enough with these reductions. I believe further cuts should be made, and could be made, without jeopardizing the security of the free world. The cuts made by the Committee and any further cuts which may be made by Congress would be a great benefit to the American taxpayers. For these and other good reasons, I shall support further cuts in this bill.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, there is one question that I think needs clearing up. When the gentleman from New York was on the floor the distinguished minority leader asked him if he was willing to take the responsibility for gutting this program. Here is how the committee proposes to gut the program. Last year they got \$2,700 million. The committee this year proposes to authorize \$3,500 million, which is roughly a 30 percent increase over last year.

If that is gutting the program, then if you wanted to have your salary gutted you would get \$6,750 a year more than you do now. If that is the gentleman from Massachusetts' idea of gutting something, then I think we ought to put through a salary-gutting program right here.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Likewise, it should be pointed out that the committee figure is the exact figure that the particular bureau or agency first requested, before they increased the request a billion dollars this year.

Mr. HAYS of Ohio. The gentleman is correct.

The only other point I want to make is that the committee is not gutting anything. The committee is not maltreating anyone. The committee proposes to au-



thorize 30 percent more than they said was adequate last year. If you can believe all of the optimistic statements that the press carried about how much better off we are in the world than we were a few years ago, then it looks to me as if a 30-percent increase is a pretty good proposition. You would think if we are so much better off that we ought to cut it a little. We did not do that, but we did try to get some sensible figure from the welter of confused figures that came from the Pentagon. I am sure the committee does not know exactly what the military proposes to do with the money we propose to give them.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. SISK. The distinguished minority leader, the gentleman from Massachusetts, Mr. MARTIN, indicated that the remarks which I and others had made about Tito and the Yugoslavia situation, did not enter into this \$600 million amendment we have before us. Will the gentleman state whether or not he feels that any portion of this \$600 million military aid might reach Yugoslavia or in any way affect that country?

Mr. HAYS of Ohio. Well, the people who came up and testified kept asking for flexibility. I think the best testimony came from the gentleman from Minnesota, Dr. JUDD, who said that these are only estimates; that they can do whatever they want to do with it. It is conceivable, but I think highly improbable, that if they wanted to they could give the whole \$600 million to Tito.

Mr. SISK. Is it not a fact that the \$600 million increase could certainly be of material concern so far as Yugoslavia or other European nations is concerned?

Mr. HAYS of Ohio. Let me answer the gentleman by saying to you that when the Under Secretary of State came up about the Aswan Dam I said, "It boils down to this. You are not here asking the committee whether we approve. You are here telling us you have already made the commitment." He said, "That is right." So, they can do anything they like.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. JUDD. Of course, the President, under the language of the law now existing, can give most of whatever money is put into the bill to Yugoslavia if he wants to.

Mr. HAYS of Ohio. That is true.

Mr. JUDD. Only if there is a later amendment which prohibits any funds going to Yugoslavia will there be any restriction on the use of funds for that purpose.

Mr. HAYS of Ohio. Yes.

Mr. SISK. Is it not true that if there is a later amendment which would stop aid to Yugoslavia, that that surplus might reduce any need for this \$600 million you are asking now?

Mr. JUDD. The answer to that is that this \$600 million increase will only give the minimum that the military people say they must have to operate the program with any safety. As the gentleman from Massachusetts [Mr. MARTIN] said, they would like to have more.

Mr. HAYS of Ohio. But the gentleman will admit they told us that was the minimum amount they could get along with. Now, we see the revised figure.

Mr. JUDD. I think they said that was the optimum. What we are down to now in the \$600 million figure is the minimum. If Yugoslavia were to be cut out, there would, of course, be more money for the other countries by that same amount.

The CHAIRMAN: The time of the gentleman from Ohio has expired.

Mrs. BLITCH. Mr. Chairman, I move to strike out the requisite number of words.

(Mrs. BLITCH asked and was granted permission to revise and extend her remarks.)

Mrs. BLITCH. Mr. Chairman, first, let me pay my respects to the President of the United States, to the Speaker, to the majority leader and the minority leader of this House, and, most especially, the beloved southern gentleman [Mr. RICHARDS], who is chairman of the Foreign Affairs Committee.

Next, I would like to say that lest there be any misunderstanding as to why I have taken the floor, I should like to state clearly I am rising in opposition to this amendment. I shall vote against any amendment that provides an increase in this misnamed mutual security program. I shall vote for every amendment that provides a decrease. And at the end, I shall vote against the bill. I did so last year.

This is the first time I have ever engaged in general debate on this floor. I feel very deeply about what I am talking about. I come from a rural region, but the people there are good people, and they are right thinking.

Let me tell you, they have been thinking very very seriously about what the Congress of the United States has been doing to pull down and destroy this country from within.

I am not afraid of Russia and her might; I am not afraid of Yugoslavia; I am not afraid of India; I am not afraid of any enemy outside the borders of this country. I am afraid of what we will do to ourselves.

Mr. Chairman, this country will never be destroyed unless socialism first takes hold of this country. That is the pattern; that is what has happened in so many countries, and that is what communism is aiming to do to our United States. We are the only stronghold left that will keep communism from enslaving the world. Enemies from within are working day and night to accomplish this purpose.

When the war was over my heart was deeply touched. I would have done anything on earth to restore the ruins left in war's wake in so many countries. To help those people recover from their wounds was a good thing to do, and a thing that the American people cooperated in heartily.

To the Foreign Affairs Committee whose members have traveled so much all over the world, let me say I have not seen the world. I do not know what it looks like, but I can read and I can study; and I know that this program has come to be wrong.

This Congress is going to be turned upside down and every person who votes for this program that is presented here is going to have to face the people of his district when he goes home. The most refreshing thing that has happened to me since I have been privileged to sit with you here is the debate that has gone on today.

Why are you men and women rising to speak? Why are you questioning? Because your people back home are letting you know that they are distressed about this program.

Why was it last year that we could not reduce the income tax of the lower middle-class people of this country to the tune of even \$100? Are we trying to destroy them with wastage and throwing away the great inheritance that we have; that came to us by blood, sweat, and tears through the years?

Mr. Chairman, I appreciate your listening to me. I do not have anything more to say except that if this House has not felt the deep stirrings in the hearts of the American people all over this country you will feel them soon, because, God helping me, I can stand here and testify that the spirit of independence, the goodness and the commonsense of the ordinary American citizen is not dead. Thank you.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I move to strike out the last word.

(Mr. WILLIAMS of Mississippi asked and was given permission to revise and extend his remarks.)

[Mr. WILLIAMS of Mississippi addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The gentleman from Texas [Mr. RAYBURN] is recognized.

Mr. RAYBURN. Mr. Chairman, if this were a popularity contest and by my vote or my action I could show my deep affection for the gentleman from South Carolina [Mr. RICHARDS] I would be the first man in line, because ever since he has been a Member of the House I have valued him as one of my closest and dearest friends and I know he has regarded me likewise.

This is not an issue of personalities. This is an issue of judgment. It is an issue of what is best not for the countries throughout the world but for the national security of the United States of America. To me that is the issue. I challenge the judgment, not the patriotism, not the friendliness, of those members of the Committee on Foreign Affairs who have brought this bill here. I know they love their country just as well as I do. I know they are just as patriotic citizens as I hope to be.

Let me go back just a little. I stood in this well as majority leader in 1938, 1939, and 1940 and pleaded with the Congress to follow the recommendations of the then President of the United States in voting some money to make our country stronger. Most of that money was denied because the people said "Where is there any danger? Who is going to fight us? We have no enemies in the world." And, as our majority leader, the gentleman from Massachusetts [Mr. McCORMACK], said this morning, a few



weeks before Pearl Harbor the House of Representatives by one vote extended the National Draft Act. If by that one single vote we had not extended that act, when we were struck at Pearl Harbor, we would have been breaking our Army down instead of keeping it together. The Japanese knew that we were weak on land and on sea, and that is the reason why they struck us at Pearl Harbor. And, if they had had a little more force, they would have landed at some points in the United States of America.

I am convinced, as the President of the United States is, as the Secretary of State is, as the Chairman of the Joint Chiefs of Staff is, that it is necessary for the security of this country of ours to vote more money than the committee brought in. If I did not believe that, if I believed that this could be cut one dollar and not hurt my country, its status, its leadership, and its power in the world, I would vote to reduce even the amount that this committee brought forth. We just have one President of the United States at a time. He is the voice of America, or America has no voice. And, I have said that for 30 years in this House, it mattered not who was President of the United States. Tremendous and crushing responsibilities rest upon the shoulders of the Commander-in-Chief of our Army and our Navy. He should know more about it than I do, even though he were not a military man, because he has avenues of learning more about it than I know from the people who surround him.

I think we should make this additional appropriation. I am afraid not to do it, because I do not want to see the flash of guns and hear the hum of planes, with their destruction, over my country, when I think that with a few more million dollars I could deter the aggressor. We were not prepared in 1939, 1940, and 1941. Talk about \$50 billion. If it had not been for the Marshall plan and point 4, Western Europe would today be in the bosom of communism and behind the Iron Curtain. We spent those billions. I think it was the best defense money that I ever voted. But, we were not prepared. We were forced into a war, and it cost us more than \$400 billion to get out of it and on to victory. And, with that, we had more than a million casualties; 293,000 dead, 144,000 missing, probably dead, and the remainder maimed and crippled. If this \$600 million will deter our enemies, then it will be the best investment that you and I have ever voted since we have been Members of this House.

So today, as I have said to you so often, as an old friend who has been in this House now nearly 44 years, through 2 wars and some depressions, in my opinion this \$600 million additional is the best defense money that I ever voted for and the best defense money that the Congress ever gave.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

(Mr. RICHARDS asked and was given permission to proceed for 5 additional minutes.)

Mr. RICHARDS. Mr. Chairman, I deeply appreciate the generosity of the

great Speaker of this House who has just addressed you. I admit his utter sincerity in the words he has spoken. I have great admiration and affection for him.

I feel no pleasure in crossing swords with a great man like SAM RAYBURN, if I may take the liberty of referring to him so intimately in my last weeks in this House. The same sentiments apply to JOE MARTIN. They are two great Americans. I have often thought that either of these men would make a great President of our country. That also applies to JOHN MCCORMACK, the majority leader, and the gentleman from Indiana, CHARLIE HALLECK, who has been majority leader when the Republicans controlled the House. It is no pleasure to me to take issue with them, and I would be the last man in this House to criticize them or to impugn their motives. But I cannot help but say that I am deeply distressed and disturbed at the attitude they are taking here today.

Here they are, the former Speaker of the House and the present Speaker of the House, who have said time after time how they loved this House and how they would fight to preserve the integrity of this House, leading this fight to repudiate what a committee, an arm of this House, has done.

Much has been said of the checks and balances provided between the executive, the judiciary, and the legislative by the Founding Fathers. We all agree that those checks and balances guaranteed us by the Constitution are the bulwark of our liberty, yet these distinguished gentlemen want to disrupt and destroy 2 months of committee work upon an executive request, and are themselves helping to destroy one of the checks essential to the preservation of democratic government, and they are doing it in their own house.

I have great respect for the President of the United States. I go beyond that to say I have affection and admiration for him. I had the same respect for President Truman, but I did not agree with him all the time and fought dictation by him to the legislative branch.

Here we find the executive department of the Government, which can only propose to the Congress of the United States, attempting to dictate to the Congress, and the position is taken by our leaders that we dare not differ with the dollar figures sent here. How many authorizing committees give the executive department everything they ask? Do you want to destroy constitutional government and not let the Congress of the United States scan, even, the figures that the executive department sends up here?

It would be a different matter if I were seeking to destroy this bill or to destroy this country. There is not one single Member of this House who can say that I ever let partisanship enter into any position I have taken in regard to a foreign aid bill, whether a Democratic administration was in power or the Republican administration. If there is such a man or woman, I wish he would rise now. The stakes were too great for anything as cheap as that.

I took the same attitude when I felt that a Democratic President was wrong, because I felt that a proper function of a committee of the House of Representatives and the Members of the House was to scan those executive dollar requests and authorize only those that could be justified. If we do not have that check, if we do not have that balance, then we had just as well not sit here.

Why did the Constitution of the United States place the responsibility of initiating appropriations of funds in the House of Representatives? Because we come directly from the people, directly from the people every 2 years. That is a great responsibility. But this is not an appropriation bill, this is an authorization bill. Our leaders here today say that the authorizing committee of the House of Representatives, in this instance the Foreign Affairs Committee, should abdicate its thinking, should abdicate its power, and they say, "Let the men of good sense, who have some brains, on the Appropriations Committee, work their will on it." The distinguished minority leader and my distinguished friend from Ohio talk about that kind of stuff, "leave it to the Appropriations Committee." What a cowardly thing to propose.

Mr. Chairman, we have come here with what we think is a good bill for the security of the United States. We think our committee has provided plenty of money to do it, \$360 million more than was provided last year, to do the job that should be done. I want to tell you solemnly that it is my honest conviction that the money provided here is amply sufficient to continue a proper contribution in the field of foreign aid. Our funds are not inexhaustible.

Sure, you have got to have stuff in the pipelines. We have \$5 billion of military aid now in the pipelines. The flexibility provided in this bill can keep the pipelines flowing. Here you find the greatest flexibility power ever been given to any President of the United States. He can move funds all over the place, from one side of the world to the other, to meet any emergency. Any President has to have flexibility, and I have fought for that, because he is the President of the United States and Commander in Chief of our Armed Forces. If you are going to have this kind of program you have to have all kinds of flexibility. But please do not stand here, Mr. Speaker and Mr. Former Speaker of the House of Representatives, and tell members of the committee who have fought for this program since 1948 that we do not have a right, after all those years of experience and 2 months of hearings on this particular bill, to say to the executive department, "Now, Mr. President, we want to go along with you but we represent our people, too. After careful study, we think you ask too much."

The Speaker, the majority leader, the minority leader, and the former minority leader are great men. They have great intelligence. But they did not sit up there with the committee for 8 long weeks. They know little about the details of this bill, I will tell you that. All they know is that the President called



us down to the White House and the military boys sat there and said, "We need more money." The President said, "We need more money." But not one single new reason, new emergency, new figure, new study upon which to base their request. They just wanted more money.

I have great admiration for our military people. I say again that I have great admiration for the President of the United States. But I also have a sense of responsibility as a member of a responsible committee of this House. Instead of building up the prestige of this House and its committees today, I feel that our leaders are contributing to the tearing down of that prestige because they are surrendering to the executive department. In this I hope the membership here will not follow them.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. RICHARDS] has expired.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will not take the full time, but I want to support the gentleman from South Carolina [Mr. RICHARDS].

Mr. HARDY. Mr. Chairman, a point of order. I understood there was a unanimous-consent agreement that debate on this section be closed after the three speeches by Speaker RAYBURN, Minority Leader MARTIN, and the chairman of the committee, Mr. RICHARDS. Is that not correct?

The CHAIRMAN. It is not correct. The request was made and it was objected to. It was not agreed to by the House.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that following the remarks of the gentleman from Pennsylvania [Mr. FULTON] the debate close on this section, and all amendments thereto.

The CHAIRMAN. Is there objection? There was no objection.

Mr. FULTON. Mr. Chairman, as \$1 billion of this cut in foreign aid was my amendment, I feel I should likewise stand up and say the reason, under these difficult circumstances. I am glad to stand firmly for what I believe to be the right stand of the Foreign Affairs Committee, and am glad to support fully the gentleman from South Carolina [Mr. RICHARDS], in his courageous action.

The reason is that we members of the Committee on Foreign Affairs feel that the United States foreign-aid program should be efficiently run at present, and should have a thorough reexamination between now and January of next year, as the administration has suggested.

With 2½ years of products and munitions in the pipelines, this current reduction will not endanger this program, because the time is so far ahead that we can still have time to come up with more funds in January and February, in case of necessity, after the resurvey demanded by changing world conditions, has been made in our United States foreign policy.

In the Legislative Daily of Tuesday, May 22, here is what is said about United States foreign-aid program:

Comptroller General Campbell told the Senate Foreign Relations Committee over-

optimistic foreign-aid planning has resulted in appropriation of more money than could be spent.

One result, he said, is that the Defense Department is holding at least \$400 million in foreign-aid funds in violation of the law. That money, Campbell said, should revert to the Treasury.

Two main factors, Campbell said, contribute to overprogramming foreign aid. He said the International Cooperation Administration "apparently does not consider realistically the available resources and capabilities of both the United States and individual recipient countries." He also said "there is sometimes a preponderance of political over economic and financial considerations in determining the level of country programs."

This statement should certainly be a watch signal to Congress if such conditions exist extensively.

In conclusion, may I say that the House Foreign Affairs Committee after 6 weeks' work on this bill has reported what it feels is a good recommendation to this House by a vote of 18 to 11. This is what we feel is best for the security of the United States, and I sincerely hope the House will sustain the Foreign Affairs Committee and our chairman [Mr. RICHARDS].

The CHAIRMAN. Under the consent agreement, all debate on this section, and all amendments thereto, is now closed.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FLOOD] to the amendment offered by the gentleman from Arkansas [Mr. HAYS].

Mr. RICHARDS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RICHARDS. As I understand it, that amendment is to put the figure back to the original executive request. Is that right?

The CHAIRMAN. That is hardly a parliamentary inquiry.

Mr. RICHARDS. Well, that is what it does.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Pennsylvania [Mr. FLOOD].

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FLOOD to the amendment offered by Mr. HAYS of Arkansas: On page 2, line 2, after "exceed" strike out "\$1,925,000,000" and insert "\$2,925,000,000"; and on page 2, line 4, strike out "\$402,000,000" and insert "\$589,500,000."

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the substitute amendment. Without objection the Clerk will again read the substitute offered by the gentleman from Michigan [Mr. BENTLEY].

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY as a substitute for the amendment offered by Mr. HAYS of Arkansas: On page 2, line 2, strike out "\$1,925,000,000" and insert in lieu thereof "\$1,425,000,000."

The CHAIRMAN. The question is on the substitute amendment.

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 69, noes 178.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. HAYS].

Mr. VORYS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RICHARDS and Mr. HAYS of Arkansas.

The Committee divided; and the tellers reported that there were—ayes 112, noes 192.

So the amendment was rejected.

The Clerk read as follows:

SEC. 3. Title I, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to defense support, is further amended by substituting a semicolon for the period after "Asia" in subsection (c) of section 131 and inserting thereafter the following:

"and for the fiscal year 1957 not to exceed—  
"(1) \$63,700,000 for Europe (excluding Greece and Turkey);

"(2) \$170,000,000 for the Near East (including Greece and Turkey) and Africa;

"(3) \$882,000,000 for Asia; and

"(4) \$32,000,000 for Latin America.

"Funds made available under paragraph (4) may be used to furnish assistance designed to sustain and increase military or internal defense efforts, and may be used without regard to the requirements of sections 141 and 142 in the case of any nation which is a party to the Inter-American Treaty of Reciprocal Assistance and which has adhered to the resolution of 1954 entitled 'Declaration of Solidarity for the Preservation of the Political Integrity of the American States against the Intervention of International Communism'."

Mr. DODD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DODD: On page 2, line 19, strike out "\$32,000,000" and insert "\$37,000,000."

Mr. DODD. Mr. Chairman, in my remarks during general debate yesterday, I said that I would offer an amendment to increase defense support assistance to Guatemala.

The amendment which I have offered increases the amount of money for Guatemala by \$5 million.

It seems strange to me that this administration is willing to pour millions of dollars of foreign aid into doubtful areas of the world such as Yugoslavia, but is penurious and miserly about the amount of assistance for a friendly, neighboring western hemispheric country like Guatemala.

Frankly, this is an enigma of our present foreign policy. When the expert witnesses appeared before the Foreign Affairs Committee and were asked why they had not recommended at least as much money as was assigned last year, they made a feeble answer to the effect that Guatemala could not absorb such an amount of money. This, I say, is nonsense and the record for last year proves that it is nonsense.

The amount of money allotted to Guatemala last year was less than 3 percent of the gross national income of that country, and I think it is important to point out that most of it last year was, and this year will be, spent right here in



the United States for equipment, machinery, and materials.

Is it not shortsighted for us to even propose assistance to Yugoslavia, especially now, and to cut down our assistance to Guatemala, to the only country in history that has been able to overthrow its Communist masters—a country that has come back from the dead and is now forging the sinews of a stable and solid economy?

If Guatemala, the anti-Communist showcase of the western free world, should lose its confidence in our friendship and become disillusioned, it will crack. And when Guatemala cracks, all of Central America is ripe for the Communists. And that means the Panama Canal, too.

I have confidence that Guatemala will use of assistance wisely.

The liberation government of Col. Castillo Armas has been in power only since July 1954. What did it find when it came into power? Two million dollars in the Treasury, barely enough for 2 weeks expenses, administrative chaos, unrest, financial demoralization, a tottering economy—all left behind by the Communist-dominated Arbenz regime. It takes time for a government to recover from chaos. The Guatemalan Government has done a miraculous job.

Last year Guatemala got \$15 million in development assistance from the United States. This year the amount recommended falls far short of that amount. And this is the critical year. My amendment still will not bring the amount for Guatemala up to last year's amount. But I feel that some demonstration on the part of the Congress—even the amount contained in this amendment, small as it may be, is essential to give the Guatemalan Government renewed courage. In fact, such action will give courage to all our friends in Latin America at a time when friends are scarce and neutralists abound. Surely this is an amendment which we cannot afford to bypass.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Connecticut.

Mr. MORANO. While we cannot talk about what this money will do, we can say with assurance that this money will be used to help in the hemispheric defense. Is that not so?

Mr. DODD. Yes; of course that is so.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I heartily join with the gentleman and with his amendment, because there is no doubt that the Communists when they left Guatemala left the country almost bankrupt.

Mr. DODD. Yes; that is right.

One of the best surveys I have seen on inter-American affairs is contained in a report to the President by his brother, Dr. Milton S. Eisenhower, entitled "United States-Latin American Relations," and I want to quote what I consider to be a very significant statement from that report. Dr. Eisenhower, in

discussing the political aspect of our relationship with Latin America, stated:

The possible conquest of a Latin American nation today would not be, so far as anyone can foresee, by direct assault. It would come, rather, through the insidious process of infiltration, conspiracy, spreading of lies, and the undermining of free institutions, one by one. Highly disciplined groups of Communists are busy, night and day, illegally or openly, in the American Republics, as they are in every nation of the world.

This is even more true today.

This is a small amount contained in my amendment but its significance is as important as anything we do here today.

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Illinois.

Mr. CHIPERFIELD. I want to support the gentleman's amendment.

Mr. DODD. I am grateful to my friend.

Mr. Chairman, I ask that the Committee of the Whole approve this amendment, and I hope that it does.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the item provided for Guatemala was \$27 million in the executive request. This committee added \$5 million to it on account of the particular situation in Guatemala.

Mr. MORANO. Mr. Chairman, will the gentleman yield for a correction?

Mr. RICHARDS. I yield to the gentleman from Connecticut.

Mr. MORANO. The item listed for Guatemala is not \$27 million. That is for all Latin America. This is just \$5 million for Guatemala.

Mr. RICHARDS. That is correct. I misstated it. The addition was \$5 million, and it was to apply to Guatemala.

This is 1 of the 2 instances in the bill where the committee raised the executive request. The other was \$1 million in another instance.

I just do not want to add any more to this. If the House wants to vote it, all right, and I have the highest respect for the gentleman who offered the amendment, but I do not think we should add an additional \$5 million for Guatemala.

Mr. FEIGHAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I support the amendment of our distinguished colleague from Connecticut [Mr. DODD] to increase aid to Guatemala. Yesterday on the floor, I stated my disappointment of the fact that the State Department considered shabbily, in my opinion, the cause of Guatemala and the free world and those who are willing to make a strong fight against Communist aggression and in the cause of human freedom and liberty. But at the same time, the Departments of State and Defense recommended about \$50 million for economic and military aid to the Communist dictator Tito of Yugoslavia, whose record is one of opposing the forces of freedom such as in the fight against Communist aggression in Korea in 1950. Within the past several days Tito renewed his allegiance to the cause of communism throughout the world

in the course of his pilgrimage to Moscow.

In my opinion, we as Members of Congress who have taken our oath to protect the security and welfare of the United States, will become a laughing stock of the free world, as well as the Communist world, if we support the Russian Communist stooge Tito on the one hand and on the other hand fail to give necessary economic aid to our sister Republic of Guatemala in the Western Hemisphere. Guatemala is the only free republic in the evil history of world communism, which has suffered under the tyranny, exploitation, and degradation of communism, and which has overthrown the despotic rule of communism. This is a classic symbol for freedom in this hemisphere and throughout the world. Guatemala is a focal point, as was expressed by a Communist leader in New York in April, in which he expressed the Marxist hope that Guatemala was only a temporary setback and that communism again would prevail in Guatemala. If we are sincere in our desire to stem the tidal wave of communism throughout the world, there is no better opportunity than is presented to us today to give adequate economic aid to the great and free country of Guatemala which has stood up against communism, which has overthrown communism, and which is working for the cause of human freedom and liberty in Guatemala, which of course, will inure to the cause of human freedom and liberty throughout the world.

Mr. HILLINGS. Mr. Chairman, I move to strike out the last word.

(Mr. HILLINGS asked and was granted permission to revise and extend his remarks.)

Mr. HILLINGS. Mr. Chairman, I rise briefly at this time to support the amendment offered by the gentleman from Connecticut [Mr. DODD] and cosponsored by our colleague the gentleman from Connecticut [Mr. MORANO].

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HILLINGS. I yield.

Mr. MORANO. I just want to make it clear that I offered an amendment in the committee to increase it by 10 million and it was cut to 5 million; but the vote to increase it this extra 5 million in committee was just 1 vote different. We lost it by one vote. So I am in favor of this amendment.

Mr. HILLINGS. I appreciate the gentleman's observation. I intended to comment on the fact that the gentleman from Connecticut [Mr. MORANO] has long been interested in the problems of Guatemala and the Latin American field and has had much to do with the assistance rendered to that area by the Congress of the United States.

There has been much criticism of the bill before us on the ground that we ought to first consider our own backyard before thinking about spending money in vast fields abroad. Certainly anyone who takes such a position must support this particular amendment, because here is a case where a little country in America's own backyard has thrown off the yoke of communism.



Mr. Chairman, I wish to second the amendment submitted by the gentleman from Connecticut, and I urge, with all of the strength that I can command, that my colleagues on both sides of the aisle support this amendment. I believe we should do so not only because of the great contribution that the present leaders of Guatemala have already made to the cause of freedom, but also because of the immensely valuable contributions they intend to make in the future. I also congratulate my colleagues from Connecticut, Mr. DODD and Mr. MORANO, for their interest in this amendment.

As many Members will recall, I had the occasion to visit Guatemala for on-the-spot studies both before and after the revolution that upset the Communist regime, when I was chairman of the Subcommittee on Latin America, of the House Select Committee on Communist Aggression. And when I say "Communist regime," I mean just that. There was absolutely no question in my mind, or in the minds of our committee, but that the former Government of Guatemala was completely, and openly loyal to Moscow. And I believe that the report we submitted to this House contained irrefutable evidence that the Kremlin was using Guatemala as a bridgehead in its program to expand, and to subvert all of Central America, the Caribbean, and northern South America, as well as the Republic of Panama. Communists carrying official Guatemalan passports, literally swarmed into the countries of that whole area, carrying instructions and advice from the Red high command to local Communist leaders; transporting tons of propaganda books, leaflets, and newspapers; and agitating among the workers and intellectuals in a systematic program to stir up discontent against established governments.

I think we can give some attention to the present residence of the former Communist President of Guatemala, in Prague, Czechoslovakia, where he recently was interviewed by a group of Latin American newspapermen, and flatly stated that he would return to Guatemala in the near future. I believe we should weigh the importance of his two reported, lengthy visits to Moscow, and the reports that he is being prepared for an important new role in the Communist program for Latin America. We should also take note of the fact that another former Guatemalan Communist president, Juan Jose Arevalo, the man who actually betrayed his nation into Communism, was recently named 1 of the 3-man board to head the Communist labor movement of all Latin America. And this labor movement is probably the most powerful single tool that the Communists possess in their plan to subvert the Western Hemisphere.

Mr. Chairman, when the present leaders of Guatemala overthrew that Communist government, they rendered a mighty service to every nation in the Western Hemisphere, including the United States.

Now they propose to join with us in an active program to combat the Communist campaign in the Western Hemisphere,

and all of the underdeveloped areas. Many of you will recall that this desire was clearly expressed by the President of Guatemala, when he testified before the subcommittee, shortly after the revolution.

I am convinced that this country can, and will, render continuing and valuable services to the cause of peace, freedom, and security in the Western Hemisphere.

But certainly, Mr. Chairman, and Members of the House, Guatemala cannot make its contribution until it is internally strong, politically, socially, and especially economically. Because of the coffee depression that occurred right after the revolution, and the bankrupt government and excessive debt inherited by the new administration, they need a modest amount of assistance from us. At the request of the United States Embassy and ICA mission in Guatemala, the Government prepared an estimate of the aid they would require. After ruthlessly slashing the estimates of the various experts, the Guatemalan Cabinet came up with the figure of about \$17 million.

I strongly believe we should make this amount available with the greatest of good will. After all, this is one of the few allies which is anxious to help us, in our critical and costly ideological struggle against Communist imperialism.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HILLINGS. I yield.

Mr. JUDD. Has the gentleman encountered resistance somewhere in any part of the Government to increased assistance to Guatemala?

Mr. HILLINGS. I could not say that I have encountered actual resistance on the part of officials, but it seems that when it comes to dealing with these problems some things do not move as fast as we would like them to or as we think they should.

Mr. JUDD. Has the gentleman found resistance from some of the commercial interests?

Mr. HILLINGS. No; I know of no such resistance at the present time.

Mr. JUDD. I have had some things brought to my attention that made me a little suspicious in both cases, and I feel the Congress ought to pass this and serve notice that we are going to stand by these peoples who have thrown out the Communists and support our way of life.

Mr. HILLINGS. I think we should express ourselves positively in support of these Latin American countries, especially Guatemala, and in an effective way. I hope this amendment will pass.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HILLINGS. I yield.

Mr. HOSMER. I wish to commend my colleague from California on the speech he is making and to associate myself with his words. When such countries throw off Communist domination certainly it behooves us if it is possible to support them and thus give proof of our approval. This also would be an example to other nations and lead them to throw off communism.

Mr. HILLINGS. I thank the gentleman for his observation.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike out the last word and rise in support of the amendment which has been submitted by my distinguished friend from Connecticut, a member of the subcommittee dealing with this little country of Guatemala.

Speaking of little countries, I think it is a rather sad thing that in the committee report such great care was taken to exclude the possibility, at least in the report, of any aid to another little country only 8 years old.

If, Mr. Chairman, as the greatest free nation in the world we cannot help other free nations then I know not where we are going. Guatemala is now a free nation. It needs our help, it deserves our help.

The tiny state of Israel is a free nation. It needs our help. It does not need this Congress to specifically exclude it from the report.

I am somewhat amazed by the pious proclamations from the left side of the aisle on the progress being made in the affairs of the world. I am somewhat amazed that our President only a week ago stood up before a large group and said in effect, everything is peachy in world affairs, but do not be complacent about the election.

Everything is not peachy; everything is not peachy in the Middle East, it is oily.

Our policy in the Middle East seems to be revolving around oil rather than democracy and human rights. Our policies in the Middle East are not firm. We have not made commitments to which the little nation of Israel is entitled. She is only 8 years old and she still needs our help desperately. She does not need platitudes, she needs help.

We are a party to the tripartite agreement of 1950. We have heard very little about that. Consider the disintegration of the status of our neighbor and friend England throughout the world, the difficulties of our neighbor and friend France, another guarantor in the Tripartite Agreement. Look at the situation today, and I ask you, while you are voting for funds to help nations of dubious international stature, how in the name of the Lord we can specifically exclude a nation that is founded on right, that is founded on the blood and sweat of a courageous people who for 2,000 years were oppressed and finally got their place in the sun.

(Mr. THOMPSON of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. CELLER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it is rather comforting and revealing to hear the words of the gentleman from New Jersey who has just spoken on the need for shipment of arms to the infant State of Israel. I want to remind the Members that on February 26 of this year, 151 Congressmen, Members of the House, more than one-third of the membership of the House, asked for prompt and decisive measures by our Government toward the security guarantees on the sale of defensive arms to Israel. There were 50 Republicans and



101 Democrats who signed that manifesto asking for arms for Israel so that there could be something in the nature of a balance. Republicans urged that the administration take "positive steps toward the protection of free nations such as Israel and toward the dissolution of dangers which, in threatening the peace of Israel, threaten also the peace of the free world." The Democrats likewise urged "that our Government permit Israel to purchase the \$50 million of defensive arms which she seeks in the country."

Presently there is a very decided imbalance of arms as between Israel and the Arab States.

These Arab States have refused to enter into any manner or kind of peace negotiations with Israel. They refuse to recognize the State of Israel. They want Israel destroyed and blotted out. Israel to them is expendable. Nasser, the presently, shall I say, Pharaoh of Egypt, has had the temerity to state that Israel is like a condemned prisoner in the dock awaiting execution.

King Saud of Saudi Arabia—January 1954—stated:

Israel is like a cancer to the human body, and the only way of remedy is to uproot it.

Dr. Mohammad Fadhi Jamali, former Prime Minister of Iraq—April 1955—stated:

We sincerely hope that \* \* \* all fair-minded peoples in the world will continue to brand Israel as an illegitimate state.

An editorial in Al Gomhouria, Egyptian Government-controlled newspaper—April 11, 1956—stated:

The only reasonable proposal which Mr. Hammarskjöld can make is the obliteration of Israel from the face of the earth.

We hear much about what the Secretary of the United Nations Hammarskjöld has recently accomplished by way of a cease-fire order as between Israel and her hostile neighbors. We must remember that basic questions were not resolved. There was a cease-fire order in 1948.

Israel wants more than a cease fire. She wants peace, a lasting peace, with her neighbors. But, if there is a continuance of shipment of arms, particularly from Red sources, to Egypt, there will be no peace. We know that Red arms have rolled into Egypt from Czechoslovakia, and unfortunately we have rolled tanks into Saudi Arabia ourselves. And Red arms are going likewise into Syria, and we have sent arms to Iraq. Both Iraq and Saudi Arabia are members of the so-called Arab League which is bent upon the destruction of Israel. It does not make sense that we, who want to have peace or supposedly want peace with Israel, should at the same time feed into the Arab maw additional arms, arms of destruction, arms that would destroy Israel. And I can assure you that while there may be a temporary truce, Nasser is just awaiting the time when his soldiery will be able to use the Russian MIGs and the British Centurion tanks to march onto Israel.

Mr. DONOVAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. DONOVAN. Will the gentleman agree to an amendment to section 3, beginning on line 4, page 3, providing language like this: Provided, however, that none of the funds appropriated in this section shall be used in any of the countries that are members of the Arab League except those members of the Baghdad Pact, until they sit down at a peace conference with Israel.

Mr. CELLER. Well, that is a very difficult question to answer. I still have some degree of confidence in the administration which I am now criticizing, and I hope that some semblance of sense will dawn upon Secretary of State Dulles with reference to the Middle East. I am somewhat loathe to give an affirmative reply to the gentleman, and it might be well not to stir up the waters at this time in the way that the gentleman seeks by offering his amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

(Mr. CELLER asked and was given permission to proceed for 2 additional minutes.)

Mr. CELLER. I hope that we will be able to persuade the administration to do the needful in that regard and that it would not be necessary to admonish them, shall I say, by an amendment to this act.

Mr. DONOVAN. I want the gentleman to understand that I do not propose that, but I wanted to know if the gentleman would support such an amendment. I know I would if the gentleman would.

Mr. CELLER. In the light of my explanation, the answer would be rather embarrassing, and I hope that such an amendment will not be pressed. This is not the best road toward peace for all peoples. It is hoped also that we will be able to prevail upon the administration to finally send arms into Israel, because there is only one way to preserve peace in the Middle East, and that is to have a balance of arms. The only reason why we have no holocaust of a third war between the East and the West is because there is something in the nature of a balance of arms. The same thing holds true as between Egypt and little Israel. Let there be a balance of arms there, and there will be no danger. It is rather anomalous that the administration says it does not wish to enter into an arms race, yet the administration hides behind our allies' skirts, which is in the nature of hypocrisy, and says to France "You ship your jets" and says to the members of the NATO alliance "You ship, to Egypt, but we shall not ship directly." It does not make sense, and I still hope therefore that the White House and the Secretary will do the needful. It is true that doubt grows when we see the acceptance by the administration of the latest U. N. resolution on the Middle East.

The Arab States, abetted by Russia, forced the Eisenhower administration to delete the paragraph expressing the need to create conditions in which a peaceful settlement on a mutually acceptable basis can be arranged. This

was a further appeasement of the Arabs. The administration seems satisfied with a shortsighted policy of a mere cease fire in the Middle East. The words deleted might have been a basis for a permanent peaceful settlement. Our delegates at the U. N. found themselves in strange company. Soviet Russia likewise wants no peace. She too wants a temporary truce. In the meantime our arms roll into Iraq and Saudi Arabia and Red arms pour into Egypt and Syria. The arms imbalance between Israel and the Arab States is thus widened.

What explanation can Mr. Dulles give concerning Colonel Nasser's latest deal with Red China? Nasser will soon visit Chou En-lai. The Egyptian Army accepts an invitation to send a military mission to Peiping. A Red China trade commission is presently arranging a barter of cotton for arms. Cairo newspapers boast of Nasser's master stroke in circumventing the western idiots.

Mr. JACKSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I voted in the House Committee on Foreign Affairs to report H. R. 11356, and I will support the measure in passage through the House. The decision to do so has not been an easy one in spite of the substantial cuts in the authorization made in committee. However, and on balance, I see no constructive alternative to support of the measure at this time if military and economic chaos is to be averted in a dozen lands. I do feel, however, that I would be remiss if I did not at this time make certain observations relative to the subject of our international efforts to assist others.

My principal concern with the general subject of foreign aid is not related to its dollar magnitude, but to its announced purposes and to the failure of the program to achieve the ends for which it was originally designed. The peace of the world and the welfare of those peoples allied with us in an effort to resist the cruel domination of the Soviet rulers cannot be measured in terms of dollars and cents, and any effort to relate freedom to the capacity of the United States Treasury is bound to bring frustration to the implementation of any program.

Friendship in its highest expression connotes a sincere regard both as between individuals and nations alike. Inherent in friendship is a mutual purpose tenaciously pursued, together with a common regard for certain principles in life. In our own national history this mutuality was best expressed by the framers of the Constitution who, with but a single purpose and out of dissension and bitter controversy, welded together the individual parts of the Constitution into a coherent and magnificent whole.

In the world of today as it is affected by the impact of our assistance efforts, military and economic, there exists in large part dissension and controversy, unloosed by the common purpose save as the law of self-preservation operates as an expediency. Into this conflict of national interests—into a vacuum of selfish con-



cern—this Nation has poured billions of dollars, sometimes wisely and, on many occasions, injudiciously, in an effort to compound an amalgam of spirit, international in form, dedicated to collective effort and to the security of that portion of the earth outside the orbit of Soviet influence.

The tragic truth attendant on our efforts is that only a few of the many peoples we have attempted to aid have returned our investment with the currency of good will and cooperation. In other quarters we have been repaid with invective, envy and the sullen disquietude that has always marked the relationships between the eager giver and the reluctant receiver.

Further, our course of action has been one which has served to confuse our own people and those abroad. We have not distinguished between proven friends and those who have given every indication of a neutrality benevolent to our only possible foe. For many years we have stressed that the granting of assistance to any nation did not carry with it the requirement that a nation need necessarily adopt or even approve the American system of free, legal and competitive enterprise. I do not accord with the idea inherent in our aid programs, that we can make America stronger by lending aid to socialism abroad, but this we have done and continue to do throughout the world. We have relaxed our insistence that allies receiving aid under the provisions of the Mutual Security Act refrain from trading with the enemy, on the plea that the economies of the countries concerned are dependent, in large part, upon the marketplaces of the Soviet world. We may expect to hear more on this score when the advocates of admission of Red China to the United Nations become more voluble on the subject than they dare to be at present.

Bookkeeping procedures in the MSA have become so involved that a mathematician of the keenest intellect cannot burrow through the maze of figures to arrive at the truth relative to "pipeline deliveries," "offshore procurement," "infrastructure," "lead time," "carryover," and many another complex phase of the operations. The Comptroller General of the United States literally admitted the inability of the General Accounting Office to keep pace with MSA fiscal matters, in testimony before the Senate Committee on Foreign Relations last week. What is the average member of the House or of the Committee on Foreign Affairs to do in a situation which is so vast and confused that the trained accountants in GAO cannot keep pace with past, current and proposed expenditures?

It is contended that military aid to foreign countries is an integral part of our own defense activities. If the program is to be justified before the people of this country, this must necessarily be the case. Many of us believe, and the majority report expresses the hope, that all military funds provided in MSA appropriations in future years will be included in the Defense establishment budget. In that way, and only in that way, can the various remaining items be properly titled and considered by the Congress. However, those who vote

against H. R. 11356 will, in effect, say to Turkey, Korea, the Republic of China on Taiwan, Spain, and others who have brought determination to the fight, that we propose to leave them to the mercies of our mutual enemies. This is the unfortunate aspect of the choice each Member must make. Can we afford to relinquish all military and economic interest in the Republics of Latin America? Granted that some of our allies have brought no spirit of determination to the global conflict, can we afford to let the willing and determined fall prey together with those of little or no stomach for a possible conflict?

I have weighed the matter carefully in my own mind and have reached the conclusion that I have no alternative but to support the measure now before us. The consequences to be reckoned are too great to be lightly considered. However, the Congress can and must look to the future of the program and bring to our assistance effort a degree of realism heretofore sadly lacking. We cannot, for an unpredictable number of years, continue to underwrite the national experiments in global socialism now being undertaken in many lands. As the Socialist theories in practice sap the productive capacity of a people, so does socialism sap the national will to rise to unforeseen emergencies and dangers.

We should expand our efforts within the Western Hemisphere to the end that those nations which are cast with us in a common geographic mold may be enabled better to resist the lures of the Soviet Union. The red flames of Communist aggression were checked in Guatemala before they could spread to other republics, but we should not await the sound of crackling flames elsewhere in our hemisphere before reaching for the extinguishers. The provision of \$5 million in additional aid for Guatemala is constructive and designed to indicate to the people of that country that not only are we concerned with the blaze until such time as it has been extinguished, but that our friendship continues through the burdened period of reconstruction.

The so-called neutrals—those nations who appear ready and willing to play off the aid of one country against the promises of another—should be promptly informed that the United States does not intend to be one of the pawns in an international chess game, where the Soviet holds the major pieces. Nationalism, neutralism, and diplomatic guile are poor offerings to bring to the table of collective security.

H. R. 11356 should be passed; not because of its defects, but in spite of them. The world and its peoples, friends and foes alike, will interpret the vote on this measure as an indication of the collective thinking of the American people in the era of the Khrushchev-Bulgarian smiles. Circumstances have combined to force many to vote for a measure which may well create new envy, new indecision, new hatreds, and new problems. But it will serve to indicate no letdown on the part of the American Congress in our true allies or in the assessment by the Congress of the new Soviet tactics.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to my colleague from California.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. JOHNSON of California. Mr. Chairman, from the arguments I have heard concerning the amendment submitted by the gentleman from Connecticut [Mr. Dobb], I believe that the amendment should be approved unanimously. How can we fail to support the heroic efforts of Guatemala to stamp out Communist aggression. I have been in Guatemala several times. I was there when we had an Air Force station there and we were fearful of what might happen to the Panama Canal Zone. The City of Guatemala was a beautiful city but the rural areas were very primitive and undeveloped. It seems incredible that the Communists would go over half-way around the world to blot out a small country simply to destroy its effort to build a democratic and free country. But we must not forget that this effort on the part of the Communists is primarily aimed at us, as the destruction of the free world is their ultimate aim and the United States is the leader of the free world today.

Mr. FASCELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Connecticut, Hon. THOMAS J. DOBB, which would increase the military assistance to Latin America from \$32 million to \$37 million specifically allocated \$5 million more to the Republic of Guatemala.

Recent events dealing with the infiltration of the Communists in the Government of Guatemala are well known. It is extremely significant that the first foothold of the Communists in the Western Hemisphere has been repudiated and the Government of Guatemala is now once again among the freedom loving Republics of the world.

I support this amendment not only for the specific reasons which have been enumerated by prior speakers in whose remarks I wholeheartedly concur, but also because of basic principles which are common knowledge and readily understood and agreed to by all of us.

The solidarity of North and South America is a bulwark of the free world in today's gigantic struggle for freedom. It is of necessity the most important thing related to the freedom of the United States of America.

The spirit of independence which rises from the valleys of the Mississippi and Missouri to the heights of the Rockies rises with equal vigor and intensity from the valleys of the Orinoco and the Amazon to the heights of the Andes. This spirit flows and is joined across the Isthmus of Central America, of which Guatemala is a part.

Therefore, it behooves us to do everything within our power to recognize in every way the fierce spirit of independence and freedom in both North and South America, to nurture it, cultivate it, and assist it in every way.

The Republic of Guatemala which has overthrown the shackles of Communist infiltration would be tremendously assisted not only by the additional finances which this amendment would make available, but also by the recognition we



give to the fighting spirit and the desire of a great Latin American people to be free in their own right.

I trust, therefore, Mr. Chairman, that the committee will vote in favor of this amendment.

Mr. BOYLE. Mr. Chairman, I move to strike out the last two words, and rise in support of the amendment.

It is with considerable pride and enthusiasm that I rise in support of the Dodd amendment providing an additional \$5 million assistance to Guatemala.

The pages of history point to Guatemala as a significant example of our inclination to dally with our commitments. This courageous little Republic cast off her communistic yoke of oppression just 1½ years ago. The Communists left this little country's treasury stripped, depleted and empty. Guatemala, which has won the universal acclaim of the world for its mighty titanic struggle for peace and freedom needs prompt and effective help. The assistance given has been slow and highly inadequate. The whole world has been watching her plight and this—our own hemisphere—is particularly alive to the exigencies of the situation. The hour is late, but not too late to remedy it.

I have no misgivings in pointing up the poverty and the loneliness and the frustrations of little nations and little peoples wherever they may be on the face of the earth. I do this in the sense of causing no diminishment to their sovereignty or national pride. It is in seeing a problem that we best can effect a solution. If we are going to render assistance, we must of course appreciate the area that is in need of help.

On the entire national scene, we see today a tournament of hate being engendered by the East versus the West. It might be fitting to pause and see who, actually, among the nations of the world we can count on as being friendly.

It is said that a man is lucky if he ends up with just one friend in a lifetime. I say that in the lifetime of nations, maybe that nation is likewise fortunate if it ends up with just one friend. But it would be to bad if we should limit our whole and total national activities in the acquisition of friends and allies to merely 1, 2, or a dozen or the total of seventy-odd nations that compose the family of countries.

So I am happy to reassert my affection for all of the countries of the Americas. But while we are helping the countries of America, let us not forget the little country of Israel, who today stands as a beacon of friendship and of freedom. Israel has become one of the champions in the fight against international communism. With the entire Middle East succumbing to the threats and emblankishments of the Communists we find Israel standing fast behind the same principles of human freedom and dignity on which our own Nation was founded. Today the State of Israel stands alone in Asia and the Middle East as a beacon for democracy, an island surrounded by forces which threaten its life and very existence, forces who see in Israel a

threat and living refutation of the systems of despotism and absolutism whether same be the leftism of communism or the rightism of feudalism or colonialism to which most of the surrounding nations are clearly wedded and devoted. Let us ever be mindful of the fact that she is hemmed in by forces who are inimical to our ideology and to our notions of liberty and to our respect for human dignity and human rights. So let us reiterate the position that we took when we signed the petition requesting military help for defensive arms for Israel.

On that note I respectfully request that the Congress today let it be known by their vote on this amendment that it is the feeling of this Congress and we go on record saying we are interested in little people and in little nations all over the world.

(Mr. BOYLE asked and was given permission to revise and extend his remarks.)

(Mr. ASHLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ASHLEY. It seems to me, Mr. Chairman, that one of the important facts for us to remember today is that we are here considering legislation which simply grants authority to the executive department. One of the basic responsibilities of the executive department, as we all know, is the conduct of our foreign affairs. This cannot be done—nor should it be done—by the Congress of the United States.

Unless I am mistaken, our proper function today is to provide the executive branch with the authorization necessary to continue various programs which are essential to the security of the free world. Frankly, I would have preferred to see this bill give greater emphasis to economic-assistance programs for the underdeveloped nations of the world. It has become increasingly clear in recent years that the decisive battle in the cold war between the free world and the Communist world will be waged in the economic and political arenas. Have-not nations today occupy a position absolutely unique in history. Their potential political potency, clearly demonstrated at Bandung, and their economic importance may well be one of the important chapters in the history of the last half of the 20th century.

Three weeks ago, President Sukarno, of Indonesia, delivered what I believe to be one of the most eloquent addresses in my experience. You will remember that he said:

Nationalism may be an out-of-date doctrine for many in this world; for us of Asia and Africa it is the mainspring of our efforts. Understand that, and you have the key to much of postwar history. Fail to understand it, and no amount of thinking, no torrent of words, and no Niagara of dollars will produce anything but bitterness and disillusionment.

President Sukarno was speaking of nationalism, Mr. Speaker, but implicit in his stirring message was the declaration that underdeveloped nations now consider political freedom and economic development to be matters of right—not grace.

I think that we will be shortsighted and blind, as a nation, if we do not understand the implications of this fact, and I think that our Government will be guilty of inexcusable shortsightedness and folly if our foreign policies do not reflect this understanding.

Frankly, it is my belief that this administration has been slow to grasp the implications of the vast power struggle in which we are now engaged, particularly in the political and economic areas. The Communist blueprint for infiltration of underdeveloped nations was made public at the 19th party congress, held in the Kremlin in 1952. And the course which was outlined has been scrupulously followed.

I do not agree with President Eisenhower on many matters, but I do concur with his statement that it would be tragic if Congress acquiesced in the \$1.1 billion foreign-aid cut recommended by a majority of the Foreign Affairs Committee.

I am fearful, Mr. Chairman, that the actions taken by this body today may indicate a lack of responsiveness to a world trend which cannot be stemmed or altered. We must recognize the challenge before us and we must accept it.

(Mr. DAVIDSON asked and was granted permission to extend his remarks at this point in the RECORD.)

[Mr. DAVIDSON'S remarks will appear hereafter in the Appendix.]

(Mr. DINGELL asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. DINGELL. Mr. Chairman, I share the concern felt by many of my colleagues at the hurried hugger-mugger way the administration has presented this foreign-aid bill to us in this Congress in these troubled times.

I harken back to remarks made by both the Secretary of State and the President, himself, wherein it is admitted not only that our foreign aid program is at best, not fully effective, but that there is need for a searching reappraisal of the whole program. I am going to vote for this bill, but with less than enthusiasm.

Now, Mr. Chairman, we have \$6 billion in appropriated funds already in the pipeline waiting to be spent. Those expenditures are for 2 years in advance. Certainly this reappraisal can go on while those vast funds are being spent, without the real need for additional funds, which can be later authorized and appropriated without peril either to the program or to the American people. But the administration tells us only that the funds must be authorized at once or the country is periled. That is surely being less than frank with the Congress and the people.

I have always felt that foreign aid, wisely used, was the best possible expenditure for the American people. It worked wonders under President Truman, and saved Western Europe, Turkey, Greece, and other lands from Communist enslavement.

My dear departed father was fighting for foreign aid and the mutual-security program when many whose voices I hear raised on behalf of this bill on the other



side of the aisle were still calling such programs waste, boondoggling, and less printable names.

It appears to me, however, that this reappraisal late as it is must come soon, and I hope that the administration is wise enough to recognize that fact, lest they endanger the whole wonderful concept of foreign aid by maladministration and misadministration.

There are two features about this bill however, which are especially distasteful to me—the inclusion of Yugoslavia, and the Arabic States, both either avowed friends of the Kremlin, or announced enemies of the United States and world peace, and the long-established policy of the administration which will preclude arms for Israel under the bill. I need not say that Israel is a friend of America in a place and time where such things are as rare and precious as diamonds.

To address myself to the problem of Mr. Tito, already recipient of over \$1 billion in United States aid, who is presently engaged in a "love feast" with his fellow Communists in the Kremlin, I want to first recall to the membership of this House, how Mr. Tito has said that Russians and the Yugoslavs will never again be split.

We hear daily of other joint announcements from the intellectual descendants of Stalin who rule the Kremlin and this one-time friend of America, Tito, announcing to all how the Communists of the world are again united in a common goal. An aim, which we must presume from past Communist announcements to be the ultimate destruction of capitalism, and the destruction of our free American way of life.

Worse, Mr. Tito has been giving aid to the various Arab functionaries in their attempts to destroy both Israel and the peace of the world.

Just what is Mr. Tito's game? Let us analyze it with Mr. Constantine Brown as he does it in his excellent editorial of today's Washington (D. C.) Evening Star:

According to diplomatic observers in the Soviet capital, the renewal of permanent ties between the Soviet duumvirate and the Yugoslav dictator will have important chain reactions which will be noticeable only as time goes on. Among these, it is believed, will be the creation of a new Danubian-Balkan confederation with Marshal Tito as its leader. This has been the Yugoslav dictator's dream for many years and was one of the reasons he stubbed his toe with Joseph Stalin. When he began to press this idea, "Uncle Joe" decided to cut him down to a boy's size. Fortunately for Tito, Uncle Sam was around the corner and rushed to his rescue.

I want to impress upon my colleagues, this danger is a very real one; and in the process of leading up to this program, Mr. Tito has made great strides. He visited France, and has traveled widely in other parts of the world, to India, Egypt, and Burma. Under America's aid his prestige has grown enormous, and I note during his travels, he has consorted with America's enemies, and has had nothing good to say about us "to boot."

As Mr. Brown so well says:

The idea of a Danubian-Balkan confederation within the Soviet orbit is not particu-

larly new in the minds of the men in the Kremlin. It was one of the motives which prompted them to give Austria her full sovereignty in the hope that the little Danubian republic eventually might be forced by economic necessities to join Moscow's satellites.

I recall to my colleagues that no one who has visited this fair weather friend of ours in recent months has been sympathetic to the United States. Note well his politicking with the Egyptian leaders, and observe how he has abetted them in their avowed program for the extermination of the tiny State of Israel. He has been visited by Palmiro Togliatti, leader of the Italian Communist Party, and certainly no friend to America.

Thus the ultimate result of the present conferences between the Belgrade and the Kremlin leaders is expected to be that Marshall Tito will become the dominant figure not only in the Balkans but also in the strategically vital eastern Mediterranean.

This is the ambitious, grasping, "friend" whom we would aid, acting in the time honored custom of all dictators, Communist and otherwise. I say to this Congress that if we are foolish enough to send more arms to Tito, that they may not be entirely lost to the United States. No, indeed, we are very liable to become recipients of the buckshot, bombs, and baled hell that we send Tito sooner than we think. It may very well be used upon American boys, or the young men of countries which are our friends, or loosed upon us at home when we least expect it.

And now to return to an equally unpleasant subject, that of Egypt, which openly accepts arms from Russia and her satellites, and which more openly still announces that Egypt will not rest "until she has cut the Israeli cancer from the Arab heart." Certainly this is no friend and certainly no neutral.

This is one to whom we have extended not only the hand of peace, but to whom we have given vast sums of money, much material and technical aid. We are now in the process of competing with Russia to see whose help will Egypt accept in the construction of the \$200 million Aswan Dam. During this time, Egypt not only imports arms, but exploits inflammatory propaganda by all available means, including radio, and printed matter, all aimed at hurting and embarrassing not only America but our allies, the British, the French, as well as the Israelis.

Let us use sense, let us reserve our aid for our friends, or for those whom we may hope will become friends.

Israel, however, our friend, an island of democracy and friendship in a sea of hostile Arabs, receives paltry little economic and technical aid, and no military aid worth discussing.

It is a rude shock to realize that with the present complexion of Arab strength and its anticipated growth that the time is not long hence when Israel, with her tiny size can be overrun before her friends could come to her aid.

I warn this administration that we are flirting with another Korea, which can happen at any time. Members of this House of Representatives, Members of our sister body, the Senate, citizens, and leaders in all walks of life have urged as a commonsense measure, that we send

arms to Israel the arms which she may defend herself. These arms are not for offense, but only to protect those borders which are as sacred to Israel as our own are to us. I hope that the administration will heed the remarks of my colleagues and I who urge these arms, not for Israel only, but for my own protection and best interest.

I sincerely hope that Yugoslavia will be barred from any aid whatsoever. I will wholeheartedly support any amendment which will accomplish these ends.

(Mr. MOLLOHAN asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. MOLLOHAN. Mr. Chairman, in view of the official facts and the equally official statements of administrative spokesmen made as recently as this past fall and early winter, I doubt that I am the only one among our colleagues to be amazed by the request of the Executive for funds with which to carry out United States foreign-aid programs in the fiscal year 1957.

On November 16, 1955, the press of the Nation—as reported by the ever-dependable New York Times—carried headlines to the effect that—

The administration has decided to hold back as much as 20 percent of this year's worldwide economic and technical assistance funds appropriated by Congress.

The New York Times article continued—and I quote:

The withheld money will go into an emergency reserve fund of about \$100 million. One of the countries affected is India, where a \$50 million economic development program approved by Congress will be trimmed to \$40 million. Development programs in the Middle East and in other parts of the world where they are linked with military defense programs will be cut by the International Cooperation Administration. If no emergencies arise, the funds could be returned to the programs before the end of the year, or they might be carried over to next year if Congress agrees. They also might be returned to the Treasury.

I wish particularly to call the attention of our colleagues to this statement in the Times article which—in view of subsequent testimony by certain top administration spokesmen before the Committee on Foreign Affairs of the House—is, I feel, highly illuminating.

The move—

The New York Times states—

was started by John B. Hollister, Director of the International Cooperation Administration, who has made economy his watchword. He told a recent news conference that despite the threat of Soviet economic offensive, he was hopeful next year's aid program (the program which we are now debating on the floor of the House) could be cut below this year's \$2.7 billion.

The Washington Post and Times Herald likewise took note of the decision to withhold appropriated funds in the fiscal 1956 foreign-aid program in an editorial entitled "Penny-Wise Foreign Aid." Said the Post:

The reported division in the administration to hold back as much as 20 percent of the foreign-aid funds appropriated by Congress could not have been more badly timed. If the reports are true, this retrenchment in one of the most significant expressions of foreign policy comes at the



very moment of the failure of the Geneva Conference, at the moment when the intensified Soviet economic push into the Middle East and Asia is becoming more and more obvious. In view of the bad psychological impact alone, it is hard to understand how either Secretary Dulles or the President could approve such a course.

The Post ends its editorial with the plaintive query:

Yet the International Cooperation Administration, whose Director has initiated the slash, is responsible to the Secretary of State. Does the left hand really know what the right hand is doing?

As quoted, Mr. Hollister was, I believe, being entirely consistent with the attitude which, in the past, he has maintained toward the foreign economic policies and foreign-aid programs of the present and previous administrations.

For, again referring to news reports in the press—which, like the great majority of the American people, is my principle source of information regarding the administration's foreign policies and practices—the New York Times on October 8, 1955, carried this headline: "Aid Cut Expected From United States Survey—End of European Program Seen and More Trims for Asia Are Anticipated."

Under a Washington dateline the New York Times then stated:

The beginning of the end of United States foreign-aid activities in Europe is expected to result from a survey now being made by John B. Hollister, Director of the International Cooperation Administration. Retrenchment is being planned in Asia, too.

Upon Mr. Hollister's return to Washington after a month's survey in Europe, the Far East, and the Middle East, the New York Times duly headlined: "Hollister Read To Act on Aid Cuts." Interviewed at the airport, the New York Times reports that in response to the question as to whether there were any areas of the Far East in which he thought foreign aid should be increased, Mr. Hollister drew attention to these passages in his prepared statement:

We explained to the countries' leaders the limitations we must necessarily put on the total outlay for world assistance, and this requires careful planning of each country's program and strict allocations to appropriate projects.

At all points he said he had "emphasized the importance of encouraging the investment of private capital, both local and foreign, since Government aid should be considered only a method of priming the pump."

Against the background of such statements, the complete about-face and more-than-enthusiastic support given by the Director of ICA and other top administration spokesmen for the Departments of State and Defense in their testimony before the Committee on Foreign Affairs, becomes all the more astounding.

Repeatedly throughout the testimony of these officials, Congress was urged to relegate more of its powers and control over the authorization and appropriation of funds for the purposes of the Mutual Security Act to the Executive. This, it is declared, would provide the greater flexibility needed by the Executive for

the effective planning and administration of foreign-aid programs.

As to this, Mr. Chairman, it appears to me that our principle difficulties arise from the fact that the administration has already exercised too much flexibility in these areas.

According to the evidence of Soviet progress and United States setbacks in the capitals of the world with which we are daily confronted, the fluctuating and vascillating course which the administration has pursued in its foreign economic policies during the past 3½ years, has gravely undermined our influence, lowered our prestige, and made mockery of our hitherto recognized leadership in world affairs.

If we are honest with ourselves, Mr. Chairman, can any Member of the House deny in good faith that we have lost the offensive and that the United States is now on the defensive on both economic and military grounds in the cold war?

In the past I have been proud to vote in support of this Nation's foreign aid programs. With justification I am proud of the inspired and—I might almost say—spiritual quality of the Democratic leadership which produced the Marshall plan, the ECA, and all the many other self-sacrificing acts of the American people to restore the ruined economies of Western Europe and to bring economic progress to the underprivileged nations of the free world.

Granted that some of these programs were also in defense of our own security. Nevertheless I feel that we have demonstrated time and time again our genuine altruism and sincere concern for the welfare, happiness, and independence of people everywhere.

Now, however, I have become convinced that a thorough reappraisal and complete review of the entire mutual security program is in order and should be completed before any increase in United States economic aid is forthcoming. It is not more flexibility and more money to be expended that is required for the success of our relations with other free nations, but a return to the idealism which previously characterized our efforts to assist our allies and to strengthen the moral determination of the underprivileged and new-born nations to defend their liberty and improve their economies.

Over the past three and a half years we have experimented with bombast, bribery, and browbeating. We have swung from threats of "massive retaliation" and "agonizing reappraisals" to belated attempts to outbid the U. S. S. R.'s offers of military and economic assistance. The result has cost us friends and placed us in the ignominious position of being played, one against the other, in competition with Russia for the dubious loyalties of the strategic nations of the Near and Middle East.

I know whereof I speak. Back in 1954, Mr. Chairman, the great State of West Virginia was one of the major sufferers from the business recession which struck the country. The coal industry, one of the mainstays of the State's economy, was grievously hurt.

At one time during this period more than 13 percent of the State's total civilian labor force was unemployed and over 12 percent of its entire population required public assistance and surplus food to exist.

It was during this time that I personally encountered the full force of the administration's preach, promise, and do-nothing policies.

It was in the fall of 1954—and by some strange coincidence, at the height of the congressional election campaigns—that the then Director of the ICA's predecessor, the FOA, announced that his agency, at the direction of the President, would purchase, under the foreign aid program, 10 million tons of coal to relieve the distress of unemployment in the coal-producing regions of the United States.

With the hardship and suffering of the people of my own district staring me in the face, I believe, Mr. Chairman, that I was among the first to appeal to Mr. Stassen for the allocation of orders to purchase some of this coal from the First Congressional District of West Virginia.

For the outcome of my efforts, the good faith with which the FOA/ICA kept its promise to the American people, and the inefficient administration of a Government agency which is now requesting authority to spend billions of the taxpayer's money, I refer you to the committee print, "Relief of Unemployment in Coal Mining Areas—Memorandum of Chairman of the Subcommittee on Oil, Gas and Coal," to the Committee on Interior and Insular Affairs, United States Senate, dated February 15, 1956.

From out of the 10 million tons of coal promised to be purchased for export, at an estimated cost of \$150 million, only 1,130,080 tons, at a cost of \$34.2 million, was purchased—and this only under the most intensive congressional pressures—from September, 1954, until the program was unceremoniously and secretly abandoned by Mr. Stassen's successor, Mr. Hollister, in December, 1955.

Despite their disappointment and disillusionment over the administration's failure to keep its commitment to them—and in the face of their own tribulations during this distressing time—the people of West Virginia continued, as they have in the past and as they most assuredly will do in the future, cheerfully and patiently to bear their share of the tax burden in which the cost of our foreign aid programs plays no small part.

Now the American people are being told that they must not only continue to bear this burden for an indeterminate time far into the future, but that its load must be radically increased.

In a message to the Congress of the United States on March 19, 1956, the President defined the urgency of the mutual security program to defer aggression and to help fortify the economies and military strength of the Nations of the free world. The need is urgent, he said, "because there are still people who aspire to sustain their freedom but confront economic obstacles that are beyond their capabilities of surmounting alone. We must continue to work with other countries to insure that



each free nation remains free, secure from external aggression and subversion, and able to develop a society marked by human welfare, individual liberty, and a rising standard of living." Would that the Administration could see as clearly the scope of our own domestic difficulties in coping with these problems here, at home.

In requesting authority of the Congress to make commitments up to 10 years in length to achieve these purposes, the President said that we should be able to assure the nations of the free world that we will continue to participate in a number of military projects and enterprises which will take a number of years to complete.

Mr. Chairman, I would say that, with reference to the appropriation of funds for United States aid of long-range foreign development projects, the time has come to take a much closer look at our own domestic needs in these areas. We are asked to give and to lend our support for the construction of road networks, harbor developments, and power and water resources projects among others.

In the First District of West Virginia, two lock and dam construction projects, authorized by Congress, have been underway for several years. In each year that I have been in Congress it has been necessary for members of the West Virginia delegation to go before the appropriate committees of Congress to request the appropriation of funds to carry out the work on these dams on a year-to-year basis. Moreover, every year we have had to wrestle with the Bureau of the Budget to assure that these projects were not left out of the Executive's request for civil function project funds.

Nationwide, the need for an adequate system of interstate highways and the appropriation of funds, on a year-to-year basis, to carry forward the regular Federal highway aid programs have been problems with which the Congress has wrestled through many a session.

We are still faced with serious and mounting deficiencies of teachers and classrooms for the proper education of our American youth.

And for the protection of the Nation's health and the conservation of its water resources, there will soon come to the floor of the House a bill to amend the Water Pollution Control and Flood Prevention Act. Many of our colleagues have endeavored for years to secure a sufficient appropriation of funds and an effective program of Federal aid to assist our States and local communities in coping with these pressing problems.

I believe that the time has come when Congress' first responsibility is to the American taxpayer—to the improvement of his standard of living, to the meeting of his needs, and—in keeping with the promises of candidate Eisenhower during the 1952 campaigns—to consideration of the right of the average citizen to receive, to control, and to spend as he pleases a little more of the money he has earned to provide for himself and his family.

I earnestly pray that the day will never come when this Nation will refuse

the friendly gesture and helping hand to assist another country maintain its freedom and improve its economic circumstances.

Nevertheless, it is high time, I feel, that we attacked our own family problems and with greater vigor pursued more aggressively our program for domestic improvement, before we expend so large a percentage of our energies and our resources for these purposes in foreign fields.

Perhaps when we practice the ideals of democracy at home as fervently as we preach its virtues abroad, we shall have found a far superior way to win friends and influence people than the methods we have lately been following.

I wish most heartily to commend the distinguished chairman and members of the Committee on Foreign Affairs of the House for their realistic approach to the problem of this country's continued foreign-aid program and for the courage with which they have dealt with it.

The American people are indeed indebted for the forthright service which the committee has thereby rendered the Nation.

It is my intention to support the committee's action and to vote in favor of the cuts in the aid program which they have approved and recommended to the Members of the House.

(Mr. ANFUSO asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. ANFUSO. Mr. Chairman, the discussion in the United Nations Security Council this week on the British resolution that expressed the hope for a lasting peace in the Middle East has shown to the whole world once again that the Arab countries have no desire to reach a peaceful settlement with Israel. The spokesman for the Arab countries, Syrian Ambassador Ahmed Shukairy, frankly stated:

We must begin from the beginning. . . . The establishment of Israel, its membership in the United Nations, and all other resolutions will have to be revoked. Then, and then only, the United Nations can look forward to a solution on a mutually acceptable basis.

In other words, the Arab States insist on nothing less than the annihilation of Israel and of wiping out the Israelis by driving them into the Mediterranean Sea. This means that the present cease fire is only of a temporary nature and is bound to flare up again in the near future when the Arabs will feel the moment as opportune.

Mr. Chairman, let us keep this well in mind as we are about to vote economic and military assistance for the countries in the Near East. The military balance of this strategic area, which is so vital to our defense structure, has already been upset by Egypt's action in the past year in giving Soviet Russia a foothold in the Middle East. On several occasions during recent months I have urged our Government to adopt a firmer policy in the Middle East and to end its policy of appeasement of the Arabs. The more we appease the Arabs, the less they support us. The more material aid, economic and military, we give to Egypt, to

Saudi Arabia, to Syria, and to the other Arab States, the less respect they seem to have for us.

It is high time that we adopt this firmer stand, before hostilities and bloodshed are renewed by the Arabs in the Middle East. They are acquiring arms in huge quantities from the Soviet bloc and from other sources. With each passing week they are becoming more trigger happy and sooner or later will pounce upon Israel. This is the time to make available to Israel the necessary arms for legitimate self-defense in the event of aggression from her Arab neighbors. It does not make sense to provide arms to Saudi Arabia and other Arab countries, as we have done in recent weeks and months, while refusing to sell arms to Israel for purposes of defense.

The policy we are pursuing now is not one of impartiality, but it constitutes a very definite and decidedly partial pro-Arab attitude. This is not the traditional American policy in that area and should be discarded as soon as possible.

Mr. Chairman, I urge that we eliminate from the bill under discussion all economic and military aid to the Arab countries of the Near East until they show a willingness to reach a peaceful solution with Israel. I strongly urge that we should not appropriate a single cent to Egypt, to Saudi Arabia, to Syria, and to the other Arab countries because they have betrayed the cause of the free world by their actions in making possible Russia's intrusion into the Middle East. At the same time, I urge that we should not ignore Israel's present plight when its very existence is being threatened by aggressive neighbors and that we appropriate the necessary military aid for her legitimate self-defense.

(Mr. GRAY asked and was granted permission to extend his remarks at this point in the RECORD.)

[Mr. GRAY'S remarks will appear hereafter in the Appendix.]

(Mr. GORDON asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. GORDON. Mr. Chairman, I rise in support of the amendment proposed by the gentleman from Connecticut [Mr. DONN] to increase by \$5 million the amount of defense support for Latin America from \$32 million to \$37 million, with the understanding that the additional \$5 million be given to Guatemala.

Not only as a member of the Foreign Affairs Committee, but also as chairman of its Subcommittee on Inter-American Affairs, I have heard testimony many times convincing me that in Guatemala we have a friend worth having on the side of the free world. Here we have a country who actually has been challenged by the Communists, and who has met that challenge with honor and success. Here we have a country in the Western Hemisphere who has demonstrated its determination to fight and keep free of Communist subversion and domination. We must surely agree that such an enemy of subversion and domination should know our respect and admiration.



When a special study mission to Central America on international organizations and movements, of the House Foreign Affairs Committee, chaired by the Honorable A. S. J. CARNAHAN, of which I was a member, visited Guatemala last year, we were informed during a conference with the President, as stated in the report of that study mission—page 15:

It was the avowed program of the Government to use democratic processes to the fullest extent. The President further stated that it was his desire to prove to the millions of enslaved people behind the Iron Curtain that Guatemala, under democratic government, could provide the decent standard of living which the Communists promised but as usual did not fulfill.

The money we give Guatemala will not be just a gratuitous offering; it will serve a good purpose. It will assist Guatemala, who needs help, as stated by the Assistant Secretary of State for Guatemalan Affairs, Hon. Henry F. Holland, when he testified before our committee on this program:

The pro-Communist Arbenz government left Guatemala with an empty treasury and a severe unemployment problem. In response to the resulting threat of economic crisis, the United States has been assisting the government in carrying out a number of projects designed to restore normal economic conditions and to promote further economic development.

Urgently needed highway and hospital projects, a rural development program, and a planned area development program are among the most significant of the efforts to mobilize the country's varied economic resources and to demonstrate the government's ability to accomplish major improvements as to which the Communist regime has been unsuccessful. No new activities are contemplated in the coming fiscal year, but the continuation of the projects now in progress is of extreme importance to Guatemala's program of recovery.

Let us show our friends in the Western Hemisphere that we are not fair weather friends. Let us recognize Guatemala's battle for freedom. Let us give Guatemala this help which she needs and deserves.

(Mr. O'HARA of Illinois asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. O'HARA of Illinois. Mr. Chairman, in the historic debate that has marked the consideration by this body of the bill now before us, sitting as Committee of the Whole, it has been most heartening to hear mention made of the interest of our people in the State of Israel and of our moral responsibility to do all in our power and within our means to safeguard Israel from the dangers that beset her.

Mr. Chairman, it is not within human power to stop progress. The birth and the growth of nations are determined by laws that some may style the natural laws but most of us accept as the laws of a guiding divinity. The State of Israel is much in the same position in which the colonies that later became the States of the American Union found themselves when they had brought the progress of a new civilization into an area held backward by the practices of a dying order. The State of Israel, as I

view this young nation of valiant pioneers, is destined in the future to occupy a position of greatness exceeding even the imaginations of her well-wishers. Israel is our hope for tomorrow in an area where now democracy as we know it is beset by many dangers.

Israel will bring into that area where now there is only confusion, and where man has never had the opportunity of attaining the full stature of his dignity, a broadening of the horizons of life for all the peoples therein residing. This I believe. This I have the faith is as certain as that with the passing of tonight, tomorrow morning another day will dawn. The children and the grandchildren and the great-grandchildren of the Arab people in the enjoyment of the blessings of progress ushered in by the State of Israel will give thanks that Israel came into being and through surmounting many dangers endured.

It has been well said that it is part of the character of the American people, part I would say of our mission, always to give a helping hand to the small nations of the world. This is as natural as that a grown man or woman should help a child to exercise and to grow so that when the elder person had grown fatigued with the chores of living another should be ready and developed to take their place. Our own United States of America was once a small nation. Now the responsibility of world power has been given us. In the exercise of this responsibility let us always be guided by the thought that progress is part of growth and that in a nation now young and small may tomorrow be the instrumentality of still greater progress in man's eternal march upward toward the heights.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Connecticut [Mr. Dobb].

The amendment was agreed to.

Mr. CHRISTOPHER. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CHRISTOPHER: Page 2, line 18, strike "\$882,000,000" and insert in lieu thereof "\$382,000,000."

(Mr. CHRISTOPHER asked and was granted permission to revise and extend his remarks.)

Mr. CHRISTOPHER. Mr. Chairman, I want to begin by praising the Foreign Affairs Committee of the House for what I consider an excellent job which they have done with the mutual security bill. I would not offer this amendment if it were not for the flexibility that is in this bill and the tremendous amount of funds that they already have in the carryover.

The figures I have are taken from estimates by the International Cooperation Administration. I suppose they are as reliable as can be found, because they are from the administration that is administering foreign aid. They say that the military carryover at the present time is \$5 billion. Nonmilitary carryover, \$1.8 billion. The 1957 appropriations under existing authority, \$187,500,000. Of course the administration has asked for \$4,672,475,000 which this committee

cut to \$3,563,475,000. So we come up with these figures:

If the administration's requests were granted as it came before the committee, the foreign aid program, so-called, June 30, 1956, would have authorization and appropriated funds totaling \$11,659,975,000. But if we support the bill as it came from the committee and add nothing to it or take anything away, the mutual security program would have \$10,550,975,000. If my amendment is agreed to they will still have \$10,050,975,000, after we have saved a half billion dollars today.

I like to look at my own country, the United States. Everything we touch is taxed. Every bite we eat is taxed. Every garment we put on our bodies is taxed. Our transportation is taxed. The land, the salary check that we earn, the gasoline that we burn, the electricity we use, the water we drink—there is not anything in these United States that is not taxed. I do not like to see our money thrown indiscriminately all over the world. I have voted consistently on the floor of this House for this mutual aid program, because I have been told it is being used for the protection of our own country but this program has been in operation for many years and no one seems to have any idea when, if ever, we may be able to dispense with or even reduce it.

I have a bill now being considered before the Veterans Affairs Committee to give war veterans a small pension when they reach age 65. This bill is said to cost \$500 million per year if enacted. Here is the place to get the money and not injure anyone.

I still intend to support the committee and vote for it again, but the time may come and that rather soon if I continue to stay in this House, where I will do like some of my colleagues have assured me today they are going to do: Vote for every amendment to reduce the bill and then in the end vote against the bill. I am fast getting to that place.

Look at our own country: Our rivers are not leveed, our land is not terraced, our land is not limed; we do not have enough schoolrooms for our children; we do not have enough teachers to teach them; we do not have enough hospitals to put our sick to bed.

Look at our rivers, look at our own river right here, the Potomac, that flows between Washington, D. C. and Arlington, Va. Is it a river? No, it is not a river, it is a cesspool, and you all know it. Do not tell me nothing can be done about it. The Army Engineers know what to do with that river to clean it up and make it clear and make it beautiful like the streams are up in the Appalachian Mountains where they are only little creeks; they know what to do about it. Ask why they do not do it and they say: "Oh, it is going to cost so much money."

We never will have any sense of money values or any incentive to be frugal or to guard the taxpayers' money so long as we continue to throw away our resources all over the world. It will never be done in this House or anywhere else in this Government as long as we continue to throw billions and billions of dollars a year into Europe, Asia, and Africa.



I wonder how many of my colleagues from the South want to irrigate the Sahara to raise long staple cotton? It is planned to do this with our money.

I hope this amendment is accepted.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

This amendment would cut out half a billion dollars of the \$882 million of defense support for Asia.

If you turn to page 15 of the committee report you will see the countries that are involved. There are 4 amounts that are classified, but there are 4 that are given, and they total \$441 million.

This is defense support to help maintain forces in Korea, where they have 20 divisions under arms; \$300 million is needed for Korea to help them maintain the economy and pay for their gigantic military effort, to help them continue to rehabilitate themselves from their war losses and to develop so they can become more self-supporting.

There is \$25 million for the Philippines. There is \$86 million for Taiwan, Formosa, where 10 million people are maintaining the Free China that we recognize, maintaining land and naval forces sufficient to defend themselves against imminent Communist invasion.

There is \$30 million for Thailand. For Vietnam the amount is classified, but, as we know, this heroic, brandnew, magnificent little country of South Vietnam, after Vietnam was cut in two by the surrender which was carried out at Geneva, is maintaining itself in spite of pessimistic reports, under their indomitable President Diem, and maintaining the military force there which it is hoped will resist the force that is building up illegally in North Vietnam.

That is the sort of thing this amendment would absolutely stop, would paralyze. I do not think that the Committee of the Whole wants to stop the resistance to Red Chinese communism in Asia. This amendment would certainly do that. The amendment includes Pakistan, that country that stands stoutly with us. Economic support for other military forces is involved. These are items that would be completely emasculated if the pending amendment were adopted.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. Is it not a fact that the flexibility in this bill allows these funds to be transferred anywhere the President and his associates want to transfer them and is it not also a fact that even if the amendment prevailed they would still have over \$10 million to spend in 1957?

Mr. VORYS. No. On this flexibility business, you cannot use flexibility to spend the same money more than once. Our chairman, in arguing for the reduction in military aid, has mentioned the importance of the flexibility provision. There is not enough flexibility in this bill to carry out the necessary military changes and then to restore any such amount as a half billion dollars in one fell swoop in one area of the world for defense support. Flexibility covers a mul-

titude of sins but it cannot cover this half billion dollar cut.

Mr. CHRISTOPHER. Then it must be a fact this bill was designed by some able lawyers so that you could not get anything out of it without destroying it, is that a fact?

Mr. VORYS. This bill is designed so that you cannot get something for nothing.

Mr. CHRISTOPHER. That is what I want to know. I do not want to get something for nothing.

Mr. VORYS. This bill is designed, as I said, on the basis that you cannot get something out of nothing. That is the only kind of bill we could have. In order to carry on this program, this program of defense support, you have to have the money to do it with. If you take out money all through the bill then you do not have enough money to transfer under your flexibility provision.

Mr. Chairman, I hope the pending amendment will be defeated.

Mr. CHRISTOPHER. I am leaving you \$10 million. That is something.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, as has been pointed out by the gentleman from Ohio and if I understand the amendment correctly, it will cut \$500 million of defense support from the countries in Asia that are our staunchest allies; nations that are on the very perimeter surrounding the Communist-bloc countries. If we really want to swing a meat axe and cut off \$500 million and thereby punch ourselves squarely in the nose, vote for this amendment. Nothing could be worse for our interests, nothing could hurt us more. I cannot think of any action that could be more damaging to our collective security.

The proposed amendment would cut out defense support for our friendly allies, the Philippines, Laos, Thailand, Vietnam, Pakistan, Cambodia, and Korea, where we have spent millions of dollars in the past to stop Communism. Nothing could be more disastrous to our interests and to our security than to vote for this amendment.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I certainly agree wholeheartedly with what the gentleman has had to say. It was my privilege to visit all the free nations of north and southeast Asia last fall. Those countries are doing a marvelous job in the common fight for freedom and liberty. To cut off or reduce aid to these countries would be a hard blow at freedom's cause and a slap in the face for our friends. I certainly hope that the gentleman's amendment will be defeated.

Mr. ZABLOCKI. I thank the gentleman for his observation. If there is any doubt, I urge the Members to refer to page 15 of the report, the paragraph above the italics "Latin America" and read that, I do not see how anyone could possibly vote for this amendment. The committee clearly emphasizes the rea-

son for the defense support authorization.

Korea and Formosa—Taiwan—provide large armies directly confronting Communist forces. Neither country has an adequate economic base. Pakistan lies close to the Soviet Union and has joined the Baghdad Pact. It is essential that the United States give full assistance to its effort to meet the Soviet threat. Cambodia, Laos, and Vietnam are trying to establish themselves as independent nations and to defend themselves against the continued danger from their Communist neighbors. The Philippines has to maintain a military force adequate to maintain internal security and at the same time perform the important assignment in the defense of the Pacific area which its strategic location dictates. The free world orientation of Thailand, its position in the Southeast Asia Treaty Organization—SEATO—and the effectiveness of its military organization combine to make it one of the most influential small nations in Asia.

Mr. Chairman, I hope the amendment will be defeated.

Mr. RICHARDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to say that I believe the distinguished gentleman, if he had fully understood the import of what he was trying to do, probably would not have offered this amendment. I think the money he seeks to cut out here is probably some of the most essential in this bill. The committee said in its report that there can be no question but that all of the countries that are to receive defense support authorized here are poor countries, like Korea and the Philippines. It does not refer to India but countries like that who have great defense establishments themselves, and their economy is not strong enough to keep them up. We would be cutting off our noses to spite our faces if this amendment was adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. CHRISTOPHER].

The amendment was rejected.

Mrs. KELLY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. KELLY of New York: Page 3, after line 4, insert the following new section:

"Sec. 4. Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which contains general provisions relating to mutual defense assistance, is amended by adding at the end thereof the following new section:

"Sec. 143. Prohibition of assistance to Yugoslavia.—Notwithstanding any other provision of law, no assistance under this title or any other title of this act, or under any provision of law repealed by section 542 (a) of this act, shall be furnished to Yugoslavia after the date of the enactment of this section."

And renumber succeeding sections accordingly.

Mrs. KELLY of New York. Mr. Chairman, I am one of the Members of the House of Representatives who has sponsored this type of amendment for the past 5 years. My concern dates back to 1951 when I visited Yugoslavia as a member of the House Foreign Affairs



Study to Europe. My interest in this amendment is not new and I would like to add at this point the names of those who have supported this action—if they so desire.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I am glad to join the gentlewoman in sponsoring this amendment.

Mr. DORN of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from New York.

Mr. DORN of New York. I would be glad also to join as a sponsor of this amendment.

Mrs. KELLY of New York. I thank the gentlemen.

Mr. Chairman, I regret that this action is necessary. This amendment is simple to understand but it is broad in scope.

It cuts off all new money earmarked for Yugoslavia and it prohibits the delivery of any material or aid under previous legislation.

If this amendment prevails, huge, classified, unexpended balance earmarked for Yugoslavia will be restored for distribution elsewhere, thereby markedly decreasing the cut made by the committee.

Why do I sponsor this amendment?

First. I believe that the break of Tito with the U. S. S. R. was not sincere.

Second. Tito said in Moscow recently, "Yugoslavia will never again be split from the Soviet Union by misunderstanding." Therefore, he has no need for military aid. He knows the United States will not be an aggressor, and he now believes the Soviet will not attack him. He needs no military supplies.

Third. I believe that Tito has played his part as a Communist brilliantly and cunningly. No other man has helped to weaken NATO and break up the unity of the West. He refused to take part in NATO yet, at the same time, he has received more aid than any other single nation. He has spread neutralism—agreeing with the Soviets and Red China and condemning every action of the West. Still, he received assistance.

Fourth. He defined the West in Trieste, to which he had no claim, bringing the Communist world into the Adriatic and thus into the Mediterranean.

Fifth. Did he play a part in the Czech arms deal with Egypt? I believe he did.

Sixth. He certainly made the Balkan pact a paper alliance.

Seventh. He has encouraged the Greek-Turkish dispute.

Eighth. He has magnetized the people of Greece to his side, thereby completing the neutral nation bloc from the Baltic to the Adriatic to the Mediterranean, Moscow, Belgrade, Athens, Egypt.

The NATO of Europe has begun. This, Moscow has sought a long time.

Arguments against this amendment are going to be:

Help Yugoslavia remain independent. She is.

Keep Yugoslavia away from the Communists. She is there.

Do not hurt the Yugoslav people. They are hurt. They are enslaved. They have no freedom.

I will vote for economic aid to the Yugoslav people directly—as I have in the past—provided we can distribute that aid to them.

Finally, I believe that this amendment should be adopted in order to prove to the world that we will aid our friends but not those who work to undermine the principles which have made the United States the nation it is.

Mr. ANFUSO. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from New York.

Mr. ANFUSO. Mr. Chairman, I should like to congratulate the gentlewoman from Brooklyn and say that I associate myself with her in her remarks; I supported her amendment last year and shall do so again this year.

Mrs. KELLY of New York. I thank the gentleman from New York.

Mr. FINO. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from New York.

Mr. FINO. Mr. Chairman, I wish to commend the gentlewoman from New York on her forthright and sincere expression on this subject. I shall support this amendment. As a matter of fact, I have an amendment which I shall offer later on which will go a little further to exclude aid not only to Yugoslavia but to India, and Egypt, as well. I think all of these countries have shown their pro-Soviet tendencies, and they are not entitled to the support of this country.

Mrs. KELLY of New York. I thank the gentleman.

The CHAIRMAN. The time of the gentlewoman from New York has again expired.

By unanimous consent (at the request of Mr. SISK), Mrs. KELLY of New York was given 2 additional minutes.

Mr. SISK. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman.

Mr. SISK. Mr. Chairman, I just wish to join the gentlewoman from New York in her amendment, and I support the amendment because I certainly believe it to be equitable and just. Certainly to me it is most unfair to continue to pour money into a country which is today back in the Communist orbit. As the gentlewoman has suggested and as I believe, Yugoslavia probably never was out of the Communist orbit. So I am very happy to support the gentlewoman's amendment.

Mrs. KELLY of New York. I thank the gentleman.

[Mr. BENTLEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. FEIGHAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the last 2 years I have introduced an amendment cutting off aid for Tito's Yugoslavia. I made a public announcement a couple of days ago, and also stated on the floor here yes-

terday, that I was going to introduce such an amendment again this year. At that time I was advised that no member of the Foreign Affairs Committee or Member of the House was going to offer such an amendment. But now I notice that the gentlewoman from New York [Mrs. KELLY] has offered an amendment which is identical with the one which I laid on the Speaker's desk when we convened this morning. I am very happy to take this opportunity to urge support for this amendment, because it will put an end to the misuse of taxpayers' money to feather the nest of the Communist dictator Tito. I urge support of this amendment for the following reasons:

It will put an end to the farcical situation in which the American taxpayer is required to pay a large part of the military preparedness bill of an avowed enemy of the United States, Communist dictator Tito.

Secondly, it will bring the foreign-aid program back closer to its original purpose of strengthening the friends of freedom, thwarting the conspiracy of communism, and protecting the security of the American people.

Third, it will save the American taxpayers some money by prohibiting the use of public funds for purposes calculated to advance the evil plan of world Marxist civilization, over which the Russians expect to rule with their typical disregard for humanity.

Fourth, it will put Congress on record as being aware of the obvious fact that there is only one type of Communist, and that all Communists, when the cards are down, will give their wholehearted loyalty to no one but the Communist central authority in Moscow.

Fifth, it will serve notice to the world that the United States refuses to reward nations who publicly pledge their loyalty to communism with large sums of money taken from the American taxpayer's till.

Sixth, it will send up a warning to all those nations now sitting on the fence of the cold war that they cannot maintain a character of neutralism by visiting Moscow or inviting the Kremlin barkers to visit their country. A visit to Moscow or a cozy reception for Bulganin and Khrushchev puts them firmly in the camp of world communism.

Seventh, it will prevent the free world alliances built up after years of great effort and expense from falling apart by making it clear that we have not gone soft on communism and that we regard human freedom and national independence as the only bond which can bind us to other nations.

Eighth, it will deter other still free nations from going soft on communism by taking action which demonstrates that we have not been taken in by the latest Kremlin game of sweetness and light and that we propose to assist only those nations whose leadership is equally aware of this latest Russian beartrap.

Ninth, it will restore a large measure of our national dignity which has been degraded in the past by allowing this Communist carpetbagger dictator, Tito, to slap us in the face before we reward him with a large helping of the largess



extracted from the American taxpayer.

Tenth, it will provide the Congress with an opportunity to tell the world it is aware that no Communist can be a neutral in the cold war, because every Communist, regardless of his hue, must be dedicated to the world triumph of communism and the defeat of free institutions, representative governments, and the basic freedoms. This is a hard cold fact of life. There are, in my judgment, governments in this world which honestly seek a neutral position in the cold war, but none of them is or can be Communist. Every Communist is first a Communist and only a neutral if and when that role serves the Communist blueprint for world conquest.

Finally, the enactment of this amendment will herald the beginning of a new era of foreign assistance programs in which the governing criteria will put freedom's cause above all others.

I urge every Member to support this amendment.

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. WILLIAMS of New Jersey. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of New Jersey to the amendment offered by Mrs. KELLY of New York: Insert after "enactment of this section" a comma and the following: "unless the President finds (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, and (2) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act."

Mr. WILLIAMS of New Jersey. Mr. Chairman, this amendment retains the prohibition of aid to Yugoslavia contained in the amendment offered by the gentlewoman from New York, but adds that if the President affirmatively finds after study that Yugoslav policies have not changed, as we fear today, and that Yugoslavia is still independent of the Soviet Union; and further, if the President affirmatively finds that it continues to be in the national security interest of this country to furnish aid, then it can be given.

I am sure that over the years when aid has been given to Yugoslavia it certainly did not mean that we supported a government regime in that country. We felt, however, that this country that had broken away from the Soviet orbit should be encouraged to stay out of the clutches of Russia; and I am sure it was for those reasons that we did support through aid to Yugoslavia her independence of Russia.

Mr. DONOVAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. DONOVAN. As one lawyer to another can we agree that this bill gives complete discretion to the Executive to spend most of the money in this bill as, where, and when he sees fit?

Mr. WILLIAMS of New Jersey. There certainly is a great deal of flexibility.

Mr. DONOVAN. If that be true, is not the language in the gentleman's amendment merely a glorified statement that takes all of the meat out of the amendment offered by the gentlewoman from New York?

Mr. WILLIAMS of New Jersey. No; I do not believe that is true.

Mr. DONOVAN. Well, actually, what you say is, "provided the President finds out or determines that it is all right to continue to do business with Tito," is that not correct?

Mr. WILLIAMS of New Jersey. I will say that we are fearful, hope is dimming that Yugoslavia will stay independent of Russia.

Mr. DONOVAN. Again as one lawyer to another, that is not precisely in answer to the question.

Mr. WILLIAMS of New Jersey. If the gentleman will bear with me, I hope I can explain what I consider to be the import of the amendment.

Mr. DONOVAN. The gentleman's amendment, in substance, says if the President finds out that Tito is on the up-and-up he can still keep giving him money; is that not so?

Mr. WILLIAMS of New Jersey. If the President finds it is in the national security of this country to furnish aid, he may.

Mr. DONOVAN. And, on the other hand, the amendment offered by the gentlewoman from New York proposes that it is the will of this House that Tito is unworthy of credence and confidence. What the gentleman actually is doing is giving back to the President of the United States the power to decide whether he is going to give aid to Tito.

Mr. WILLIAMS of New Jersey. I will say to the gentleman that events of the past week have created great anxiety and fear that Yugoslavia is slipping back under the Soviet umbrella. The President suggested, and I agree with him, that we should not act precipitously, that we should study, then decide. That is what would allow the President to do. It would dallow him to know more about what is happening in Yugoslavia.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield to the gentleman from Ohio.

Mr. VORYS. As one lawyer to another, would not the gentleman say that his amendment requires two findings that the President must make, and if he does not make those findings aid to Yugoslavia is cut off?

Mr. WILLIAMS of New Jersey. That is correct.

Mr. VORYS. There is no such requirements in this law or any other law at the present time.

Mr. WILLIAMS of New Jersey. That is correct.

Mr. VORYS. ~~These are two new specific requirements that the gentleman's amendment would place upon the President. It would require him to make findings and if he does not so find, then aid is cut off?~~

Mr. WILLIAMS of New Jersey. That is correct.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield to the gentleman from Idaho.

Mr. BUDGE. I wish the gentleman would explain to me how the President of the United States or anyone in this hemisphere could make a positive determination that Tito and his Government are not under the domination of the Soviet Union? How could that be done?

Mr. WILLIAMS of New Jersey. I am sure that is the kind of determination that is made all the time; that is, by analyzing the policies of nations.

Mr. VORYS. A number of our brethren here on the floor yesterday and today have been able to make determinations on that basis partly on what they have remembered from reading a ticker tape.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of New Jersey. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Does the gentleman not feel it is a gross imposition upon President Eisenhower to ask him to make a finding of fact which should be obvious to each and every one of us right now. We should not ask the President to make a finding that Congress itself would not make and which would be contrary to the national interest. Congress should not throw its "hot potatoes" to President Eisenhower. Congress should decide these matters on their merits and there is abundant evidence for us to make the decision now.

Mr. WILLIAMS of New Jersey. As I interpret the President's statement yesterday, that is what he was suggesting, that he had to study it and make a finding of fact.

Mr. SHELLEY. Mr. Chairman, I would like to take a moment to explain my vote in favor of a cut of \$1.1 billion as recommended by the Foreign Affairs Committee, as well as my vote this afternoon in favor of \$500,000 assistance for the Republic of Guatemala. I believe that both of these votes indicate some of the questions that have recently been in my mind regarding foreign aid as well as some of the conclusions to which I have drawn regarding the entire program.

Mr. Chairman, in recent days a number of questions regarding this whole matter of foreign-aid spending have been running through my mind. As a result, I have come to the conclusion that perhaps the time has come to reevaluate and to restudy the entire program. I think we should ask ourselves, first of all, if the program is accomplishing in broad measure what it is intended to accomplish. I feel that it is time for constructive criticism of a program which has been in existence for 10 years and which was inaugurated to meet a crisis which has drastically altered in form in the last decade. I believe that this is true, although I supported foreign aid when it was first introduced by President Truman, and I have always voted for its continuance when it was considered in other years by Congress. However, I have come to question whether the foreign-aid program as it now stands and as it was presented to Congress this year, is needed in 1956.



Mr. Chairman, my suspicions of this program grow when one considers that the foreign-aid program as we have come to know it was instituted to meet the world economic crisis which resulted from World War II. The Truman administration initiated foreign aid in order to help many of the countries which were then flat on their backs. You will recall that many of these nations had just emerged from the war to find their economies destroyed—their transportation systems ruined and thousands of people unemployed. We decided on foreign aid at this point because we wanted to help the rest of the world get back on its feet, and because we knew that foreign aid was necessary to stop the spread of communism which was capitalizing on postwar economic chaos.

However, as we all know, conditions in the world have changed drastically since that time. Many of my colleagues in Congress, for example, have returned from trips abroad to relate that many of the countries which have benefited from foreign aid are now enjoying greater prosperity than they did in the years before the war. They saw many other positive results of our foreign-aid spending and I think that we should be grateful that the money has been so often put to good use. However, since many of these countries we originally helped have obviously recovered to a great extent, perhaps the time has come to ask ourselves how long we should be expected to continue with foreign aid. It may be that we should be thinking now in terms of diverting our money to other useful and constructive channels. These and other questions have bothered me.

In recent years, for example, I have not been in agreement with the tendency to place such a heavy emphasis on military aid rather than on technical assistance. I, for one, do not believe that you can buy friends throughout the world with guns. I do feel however, that we can win friends by providing other peoples with tools, books and know-how, so that they can raise their own standards of living and generally progress. I have always felt that such assistance was a positive approach to this whole foreign aid program and money well spent by the United States. I am reluctant to attempt to win friends abroad with armaments, because I have so often seen it demonstrated in history, that frequently these same armaments are used against the donor. I think that a study of political realities in many parts of the world would alert us to the fact that such an eventuality cannot be excluded in the future, however distasteful it may be to contemplate.

Mr. Chairman, I also believe that we should ask ourselves whether or not our foreign-aid program as it now stands is flexible enough to meet the challenges of the present day and age. For example, in light of recent world events, I think that we should question whether or not foreign aid provides an adequate means of meeting the new Soviet economic challenge. I believe we should question whether parts of our program are not geared to outmoded concepts. Are we, for example, encouraging gov-

ernments to undertake military and economic burdens which they may have difficulty supporting on their own? Has, as one writer put it, the machinery of the aid program become self-perpetuating and is it so cumbersome that it tends to obscure the objective? Are we, too, for example, spending money on direct grants to foreign countries when low-interest loans might be better received and make more friends for us?

In view of these and other questions which I cannot go into here, I would like to suggest that the Nation as a whole take another look at the entire foreign-aid program. I believe that the program's military structure as well as its economic structure ought to be scrutinized from top to bottom. I believe that a thorough examination would have a very salutary effect on the foreign aid program, itself. Perhaps we would find, for example, that many of the questions raised about it stem from the fact that there has been no dispassionate, expert look at where we want to go with our foreign aid program and how we got there. A study by both the executive branch and by Congress would help to clear up many of the doubts many of us have about the program and I think serve a very useful and helpful purpose.

I would like to propose, therefore, Mr. Chairman, that the President be urged to set up an independent and bipartisan commission to study the entire foreign-aid program. I also believe that Congress should appoint a committee to be made up of Members from both sides of the aisle to investigate and study the entire question of foreign aid. I feel that such a committee would be able to determine just what has been accomplished in the past as well as the road which the country wishes to follow in the future.

Mr. Chairman, having raised all these questions which were in my mind regarding the program, I find it impossible to vote in favor of a retention of \$1.1 billion in this foreign aid authorization bill. I think the reasoning which prompted my decision to vote for a cut as recommended by the Foreign Affairs Committee is obvious in view of what I have just said. My vote in favor of a \$500,000 assistance for Guatemala, I believe, demonstrates that I am still in favor of foreign aid in those areas where I feel it can be put to the best use to develop a country economically and fight the spread of communism effectively.

Mr. RICHARDS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, had come to no resolution thereon.

MRS. ANNA ELIZABETH DOHERTY

Mr. FORRESTER. Mr. Speaker, I offer a resolution (H. Con. Res. 247) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring), That the President of the United States is requested to return to the House of Representatives the enrolled bill (H. R. 1913) for the relief of Mrs. Anna Elizabeth Doherty. If and when said bill is returned by the President, the action of the Presiding Officers of the two Houses in signing said bill shall be deemed rescinded; and the Clerk of the House is authorized and directed, in the reenrollment of said bill, to make the following corrections: in line 5 of the enrolled bill strike out the figures "3,613.30" and insert in lieu thereof "3,116.70" and in line 10, strike out "October 31" and insert in lieu thereof "September 30."*

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10003) making appropriations for the government of the District of Columbia for the fiscal year ending June 30, 1957, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and appoints the following conferees: Messrs. RABAUT, PASSMAN, NATCHER, CANNON, WILSON of Indiana, JAMES, and TABER.

#### THE YUGOSLAV AND CENTRAL EUROPEAN ISSUE

Mr. SIEMINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIEMINSKI. Mr. Speaker, I have taken this time to request permission to extend my remarks at this point in the RECORD on the Yugoslav and Central European issue.

The issue is not Tito. It is the mutual security of the United States and the 100 million Christians in Central Europe. These people form a string of nations from the Baltic to the Adriatic. Yugoslavia is the base of this group.

In World War II, each of these nations was picked off one by one. Organized in one block, they might well form a unit of strength to balance the future peace of the East and the West, in Europe and in Asia.

You want self-determination, Woodrow Wilson gave it to the people of Central Europe but he did not give them any strategic defense nor any interlocking defense commitments.

I do not say it is better to deal with neutrals. But let me put it this way. Do you want to deal with neutrals or with satellites?

In our own interest, the people of Central Europe should trust us and believe in our friendship.

Although Germany was our enemy in World War II, today we do not penalize the German Nation for what Hitler and









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued  
For actions of

June 11, 1956  
June 8, 1956  
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HIGHLIGHTS: House debated foreign aid bill. House passed bill authorizing additional land purchases in Superior National Forest. Ready for President. House received conference report on State-Justice appropriation bill. Senate committee ordered reported public works appropriation bill. Rep. Cooley introduced bill to authorize certain point-of-order items.

## SENATE

1. APPROPRIATIONS. The Appropriations Committee ordered reported with amendments H. R. 11319, the public works appropriation bill for 1957. p. D593
2. FOREIGN TRADE. The Banking and Currency Subcommittee on International Finance ordered reported to the full committee without amendment S. 3868, to extend the Export-Import Bank Act of 1945 for 5 years. p. D593
3. SOCIAL SECURITY. As reported (see Digest 92), H. R. 7225 includes provisions as follows: Provides that certain income derived by a farm owner or tenant that is now treated as excluded rental income shall be covered earnings if the owner or tenant, by agreement with the individual operating the farm, materially participates in farm production. Modifies the present optional method which certain farm operators reporting their income on a cash basis may use to compute their income for social security purposes, and makes the method available to farm operators reporting their income on an accrual basis and to members of farm partnerships. Revises the basic coverage requirement for farm workers and in some instances extends coverage to farm workers not now covered.

HOUSE

4. FOREIGN AID. Continued debate on H. R. 11356, the mutual security authorization bill (p. 8870).  
Agreed to an amendment by Rep. Kelley (by a vote of 183 to 3) as modified by an amendment by Rep. Williams, N.J., to prohibit aid to Yugoslavia unless the President determines otherwise (p. 8878). Agreed to an amendment by Rep. Smith Wis., requesting an Executive Branch study of the technical cooperation program on a long-term basis as a separate activity (p. 8887). (For additional provisions of interest to this Department, see Digest 89.)
  5. APPROPRIATIONS. Received the conference report on H. R. 10721, the State-Justice appropriation bill for 1957 (H. Rept. 2288). pp. 8867, 8922  
Conferees were appointed on H. R. 9739, the independent offices appropriation bill for 1957. p. 8868 (Senate conferees were appointed June 6.)
  6. FORESTRY. Passed without amendment S. 2967, authorizing the purchase of additional land and improvements in the Superior National Forest. This bill will now be sent to the President. p. 8911
  7. POSTAL RATES. Received the report of the minority views on H. R. 11380, to readjust postal rates and to establish a congressional policy for the determination of postal rates (H. Rept. 2237). pp. 8914, 8922
  8. MONOPOLIES. Rep. Roosevelt spoke in favor of H. R. 1840, to strengthen the Robinson-Patman Act and amend the antitrust law prohibiting price discrimination, and inserted a list of reference relating to this Act. p. 8920
  9. FISHERIES. Received from the Interior Department a proposed bill to encourage the development, marketing, and distribution of domestic fishery resources of the U. S.; to Merchant Marine and Fisheries Committee. p. 8922
  10. COPYRIGHTS. A Judiciary Committee subcommittee ordered reported to the full Committee H. R. 10263, to amend title 17 of the U. S. Code, entitled "Copyright" with respect to certain fees. p. D596
  11. PERSONNEL. The Chairman of the Post Office and Civil Service Committee announced that hearings would begin on June 19 on S. 2875, to increase retirement benefits for Federal employees. p. D597
  12. LEGISLATIVE PROGRAM. Rep. McCormack announced the following program for this week: Mon.; Private Calendar; H. R. 1840, to amend the antitrust law prohibiting price discrimination; and the conference report on the State-Justice appropriation bill; later in the week: H. R. 5881, conference report relative to reclamation laws; and H. R. 9540, to strengthen the Water Pollution Control Act. p. 8869
  13. ADJOURNED until Mon., June 11. p. 8922
- ITEMS IN APPENDIX
14. FOREIGN AID. Extension of remarks of Rep. Alger discussing total expenditures under foreign aid programs and stating that "examples of waste, questionable economic practices, and glaring human errors are numerous." p. A4583  
Speeches in the House of Reps. Bentley and Jackson during debate on H. R. 11356, the foreign aid bill. pp. A4585, A4587



Thornberry      Wharton      Young  
Vursell          Widnall      Zelenko  
Walter

The SPEAKER. On this rollcall 345 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### LEGISLATIVE PROGRAM FOR NEXT WEEK

(Mr. MARTIN asked and was given permission to address the House for 1 minute.)

Mr. MARTIN. Mr. Speaker, I would like to inquire of the majority leader what the program is for next week.

Mr. McCORMACK. Mr. Speaker, if consideration of the pending bill is completed today any rollcalls on the bill or any amendment will go over until Monday.

On Monday there will be a call of the bills on the Private Calendar. Thereafter, the bill H. R. 1840, the Rogers bill, in relation to amendments to the Clayton Act, will be called up. That is the same bill that is involved in the Patman discharge petition. The two are the same with the exception of the title.

Mr. MARTIN. Mr. Speaker, will they have preference over District of Columbia business?

Mr. McCORMACK. That is a matter, of course, I cannot pass on. My impression is that the Rogers bill will be taken up for consideration first. That is the understanding I have.

Mr. MARTIN. But which comes first?

The SPEAKER. The Chair will say that whoever the Chair recognizes first. The Chair will probably recognize the Committee on Rules to call up the Rogers bill.

Mr. McCORMACK. Then that will come ahead of the District bills. The District bills to be called up consist of 11 bills and are as follows:

H. R. 4993, Board of Commissioners, filling-station property.

H. R. 8149, transfer actions, United district court to municipal district court.

H. R. 10670, Unemployment Compensation Act, extend, certain employees outside District of Columbia.

H. R. 11489, American Institute of Architects, tax-exempt property.

H. R. 11320, amend Narcotic Control Act.

H. R. 11002, Pawnbrokers' Act.

S. 1275, police protection—institutions outside District of Columbia.

S. 1739, examining and licensing board members—fix compensation.

H. R. 4697, amend Alcoholic Beverage Control Act.

H. R. 11488, amend the Traffic Act.

H. R. 11487, District of Columbia Revenue Act, licensing trailers.

Then there is the conference report on the State, Justice, and the judiciary appropriation bill.

Tuesday is primary day in the State of South Carolina and any rollcalls on that day will go over until Wednesday.

On Tuesday, Wednesday, Thursday, Friday, and Saturday the following bills will be considered:

H. R. 5881, Federal reclamation laws—conference report.

H. R. 4090, installations, radiotelegraph on cargo ships.

H. R. 9952, Armed Forces Reserves, readjustment pay.

H. R. 9540, strengthen Water Pollution Control Act.

House Concurrent Resolution 244, Joint Committee—unveiling Commodore John Barry's statue.

H. R. 11040, advance research and development programs.

I may say that the first order of business on Thursday will be the recess that will take place in connection with Flag Day exercises.

There is the usual reservation that conference reports may be called up at any time, and any further program will be announced later.

#### DAMAGING OR DESTROYING AIRCRAFT

Mr. WILLIS submitted the following conference report and statement on the bill (S. 2972) to punish the willful damaging or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes:

##### CONFERENCE REPORT (H. REPT. NO. 2287)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 2972, an act to punish the willful damaging or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House which are as follows:

Strike out all after the enacting clause and insert: "That title 18 of the United States Code is amended by inserting immediately after section 14 thereof the following new chapter:

##### "CHAPTER 2. AIRCRAFT AND MOTOR VEHICLES

"Sec.

"31. Definitions.

"32. Destruction of aircraft or aircraft facilities.

"33. Destruction of motor vehicles or motor vehicle facilities.

"34. Penalty when death results.

"35. Imparting or conveying false information.

##### "§ 31. Definitions

"When used in this chapter the term—

"'Aircraft engine', 'air navigation facility', 'appliance', 'civil aircraft', 'foreign air commerce', 'interstate air commerce', 'landing area', 'overseas air commerce', 'propeller', and 'spare part' shall have the meaning ascribed to those terms in the Civil Aeronautics Act of 1938, as amended.

"'Motor vehicle' means every description of carriage or other contrivance propelled or drawn by mechanical power and used for commercial purposes on the highways in the transportation of passengers, or passengers and property;

"'Destructive substance' means any explosive substance, flammable material, infernal machine, or other chemical, mechanical, or radioactive device or matter of a combustible, contaminative, corrosive, or explosive nature; and

"'Used for commercial purposes' means the carriage of persons or property for any fare, fee, rate, charge or other consideration,

or directly or indirectly in connection with any business, or other undertaking intended for profit.

##### "§ 32. Destruction of aircraft or aircraft facilities

"Whoever willfully sets fire to, damages, destroys, disables, or wrecks any civil aircraft used, operated, or employed in interstate, overseas, or foreign air commerce; or

"Whoever willfully sets fire to, damages, destroys, disables, or wrecks any aircraft engine, propeller, appliance, or spare part with intent to damage, destroy, disable, or wreck any such aircraft; or

"Whoever, with like intent, willfully places or causes to be placed any destructive substance in, upon, or in proximity to any such aircraft, or any aircraft engine, propeller, appliance, spare part, fuel, lubricant, hydraulic fluid, or other material used or intended to be used in connection with the operation of any such aircraft, or any cargo carried or intended to be carried on any such aircraft, or otherwise makes or causes to be made any such aircraft, aircraft engine, propeller, appliance, spare part, fuel, lubricant, hydraulic fluid, or other material unworkable or unusable or hazardous to work or use; or

"Whoever, with like intent, willfully sets fire to, damages, destroys, disables, or wrecks, or places or causes to be placed any destructive substance in, upon, or in proximity to any shop, supply, structure, station, depot, terminal, hangar, ramp, landing area, air-navigation facility or other facility, warehouse, property, machine, or apparatus used or intended to be used in connection with the operation, loading, or unloading of any such aircraft or making any such aircraft ready for flight, or otherwise makes or causes to be made any such shop, supply, structure, station, depot, terminal, hangar, ramp, landing area, air-navigation facility or other facility, warehouse, property, machine, or apparatus unworkable or unusable or hazardous to work or use; or

"Whoever, with like intent, willfully incapacitates any member of the crew of any such aircraft; or

"Whoever willfully attempts to do any of the aforesaid acts or things—

"shall be fined not more than \$10,000 or imprisoned not more than twenty years, or both.

##### "§ 33. Destruction of motor vehicles or motor vehicle facilities

"Whoever willfully, with intent to endanger the safety of any person on board or anyone who he believes will board the same, or with a reckless disregard for the safety of human life, damages, disables, destroys, tampers with, or places or causes to be placed any explosive or other destructive substance in, upon, or in proximity to, any motor vehicle which is used, operated, or employed in interstate or foreign commerce, or its cargo or material used or intended to be used in connection with its operation; or

"Whoever willfully, with like intent, damages, disables, destroys, sets fire to, tampers with, or places or causes to be placed any explosive or other destructive substance in, upon, or in proximity to any garage, terminal, structure, supply, or facility used in the operation of, or in support of the operation of, motor vehicles engaged in interstate or foreign commerce or otherwise makes or causes such property to be made unworkable, unusable, or hazardous to work or use; or

"Whoever, with like intent, willfully disables or incapacitates any driver or person employed in connection with the operation or maintenance of the motor vehicle, or in any way lessens the ability of such person to perform his duties as such; or

"Whoever willfully attempts to do any of the aforesaid acts—



shall be fined not more than \$10,000 or imprisoned not more than twenty years, or both.

"§ 34. Penalty when death results

"Whoever is convicted of any crime prohibited by this chapter, which has resulted in the death of any person, shall be subject also to the death penalty or to imprisonment for life, if the jury shall in its discretion so direct or, in the case of a plea of guilty, or a plea of not guilty where the defendant has waived a trial by jury, if the court in its discretion shall so order.

"§ 35. Imparting or conveying false information

"Whoever willfully imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this chapter or chapter 97 or chapter 111 of this title—

shall be fined not more than \$1,000, or imprisoned not more than one year, or both."

"Sec. 2. The part analysis preceding chapter 1 of title 18, United States Code, is amended by inserting between chapters 1 and 3 the following item:

"2. Aircraft and motor vehicles----- 31"

Amend the title so as to read: "An act to punish the willful damaging or destroying of aircraft or motor vehicles, and their facilities, and for other purposes."

And agree to the same.

OREN HARRIS,  
JOHN BELL WILLIAMS,  
E. E. WILLIS,  
CHAS. A. WOLVERTON,  
SHEPARD J. CRUMPACKER,

*Managers on the Part of the House.*

WARREN G. MAGNUSON,  
MIKE MONRONEY,  
GEO. A. SMATHERS,  
ANDREW F. SCHOEPPLE,  
WILLIAM A. BURTELL,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 2972) to punish the willful damaging or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The one issue of concern at the conference was the interpretation of the scope of the term "motor vehicles" as defined in the bill. It was agreed that the term "motor vehicle" means every description of carriage or other contrivance propelled or drawn by mechanical power and used for commercial purposes on the highways in the transportation of passengers, or passengers and property. It does not extend to motor vehicles, including commercial motor vehicles, used merely for the transportation of property, or for personal or private purposes.

OREN HARRIS,  
JOHN BELL WILLIAMS,  
EDWIN E. WILLIS,  
CHARLES A. WOLVERTON,  
SHEPARD J. CRUMPACKER, Jr.,

*Managers on the Part of the House.*

#### CORRECTION OF ROLL CALL

Mr. ABERNETHY. Mr. Speaker, on rollcall 58 I was recorded as being absent. I was present and answered to my name.

I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

#### COMMITTEE ON VETERANS' AFFAIRS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may have until midnight tonight to file a report on the bill, H. R. 7885.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### MUTUAL SECURITY ACT OF 1956

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 11356, with Mr. COOPER in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment of the gentlewoman from New York [Mrs. KELLY] and the amendment offered by the gentleman from New Jersey [Mr. WILLIAMS] to the Kelly amendment. Without objection, the Clerk will again report the amendment of the gentlewoman from New York and the amendment offered by the gentleman from New Jersey to the Kelly amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mrs. KELLY of New York: Page 3, after line 4, insert the following new section:

"Sec. 4. Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which contains general provisions relating to mutual defense assistance, is amended by adding at the end thereof the following new section:

"Sec. 143. Prohibition of assistance to Yugoslavia.—Notwithstanding any other provision of law, no assistance under this title or any other title of this act, or under any provision of law repealed by section 542 (a) of this act, shall be furnished to Yugoslavia after the date of the enactment of this section."

And renumber succeeding sections accordingly.

Amendment offered by Mr. WILLIAMS of New Jersey to the amendment offered by Mrs. KELLY of New York: Insert after "enactment of this section" a comma and the following: "unless the President finds (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, and (2) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act."

Mrs. KELLY of New York. Mr. Chairman, I rise in opposition to the Williams amendment.

Mr. Chairman, I feel that the Williams amendment will undo the basic purpose of the new section in which I have introduced to section 3, title I, of the Mutual Security Act new section. I feel it is time that the United States serve notice on the world that the people of the United States through their Representatives in Congress are resolute in forbidding funds to those nations who are playing both sides of the fence, the East and the West.

I also feel that this section will strengthen the forces of freedom and true independence if we pledge assistance to those who are willing to fight and defend that freedom. I want to say at this point that Yugoslavia has failed in the past to live up to its agreements under which it has received military assistance in the past. It took 4 years or more for us to endeavor to inspect that material which we gave to them through our aid.

Mr. Chairman, I would like to draw the attention of the Members of the House to page 152 of the committee hearings where the gentleman from New Jersey [Mr. WILLIAMS] brought up in committee the question of inspection that was discussed last year during the debate on the bill. In reference to this question the gentleman from New Jersey stated:

Mr. WILLIAMS. Mr. Chairman, I just wonder whether the question of Yugoslavia's cooperation in compliance with the law of inspection has come up. I would guess that came up for discussion.

Chairman RICHARDS. It hasn't come up, and it is a good question to raise.

Mr. WILLIAMS. Last year that formed quite an important part of the legislative history. (Discussion off the record.)

Mr. McGUIRE. That is right. General Waters, I believe, in the first week in February went out and made a complete inspection trip, which is the first time that has happened to our MAAG in Yugoslavia.

Inspection is one of the requirements of the law. I do want to say that prior to our planned itinerary which included going into Yugoslavia last year, Secretary Murphy went there, and I feel that in order to get this inspection he promised Tito forty-million-odd dollars worth of agricultural supplies, under Public Law 480. I do not think any aid at this time to Yugoslavia is essential. Therefore, I oppose Mr. WILLIAMS' amendment for the reason that it gives to the President that which he already possesses:

Amendment offered by Mr. WILLIAMS of New Jersey to the amendment offered by Mrs. KELLY of New York: Insert after "enactment of this section" a comma and the following: "unless the President finds (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, and (2) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act."

I want to bring to the attention of the Members of the House that on page 142 of the hearings, on my question to Mr. Van Dyke, it was brought out that Yugo-



slavia in the past year or so has received almost \$200 million of aid from the U. S. S. R. Some may believe that the United States should endeavor to match those funds, but I do not believe that. I believe that if Tito is going to accept aid from Russia we should cease giving further aid. Therefore, Mr. Chairman, I hope that the Members of this House will review this entire situation as far as Yugoslavia is concerned and vote in favor of my amendment which prohibits any military aid to Yugoslavia and any economic aid. However, my amendment would permit the President, under Public Law 480, to sell our agricultural surpluses to Yugoslavia.

Mr. WILLIAMS of New Jersey. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from New Jersey.

Mr. WILLIAMS of New Jersey. As I understand it, the gentlewoman is suggesting a reevaluation of our position with respect to Yugoslavia.

Mrs. KELLY of New York. I do not suggest any reevaluation at this time. We had a reevaluation last fall prior to our trip into Yugoslavia. When I returned to Paris I went to see General Cook, who said that an evaluation was going on at that time. Later a report was made to us that the Department had deemed it expedient to continue aid. We have had reevaluation after reevaluation, and the fear of cutting off always rules.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

(Mrs. KELLY of New York asked and was given permission to proceed for 5 additional minutes.)

Mrs. KELLY of New York. I do want to say that last August, when it was made known that Yugoslavia had returned to the Communist fold, the executive department should not have tried to win her back. Secretary Dulles, during the period of his stay in Geneva immediately rushed to pay Tito a visit. Secretary Murphy rushed there and pledged more aid. Surely this must have been a most discouraging revelation to our other allies.

Mr. WILLIAMS of New Jersey. Is the gentlewoman aware that the President has asked for the opportunity to restudy the present situation?

Mrs. KELLY of New York. I have heard that was reported at the news conference. Yes, I know that the President desired a reevaluation of the foreign policy. He recommended that we include this in the present bill with a stipulation that a report be made by November 15. I was one person who endeavored to delete that because we certainly could not have come to the floor this year asking for this amount of money and at the same time saying that we were not sure what we were doing; let us have a new look.

Mr. DODD. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, I wonder if it would be acceptable to the gentlewoman from New York and the gentle-

man from New Jersey [Mr. WILLIAMS] if a substitute amendment were offered which would add a proviso to the Williams amendment to the effect that the President shall forthwith transmit such findings, together with the basis for such findings, to the Congress.

I am greatly disturbed lest the Williams amendment weaken the Kelly amendment. My substitute would require the President to give the Congress the reasons for his findings so that the Congress might have all the facts and be able to take whatever action it decided was in our national interest.

Mrs. KELLY of New York. As far as I am personally concerned, I would not accept any weakening amendment.

Mr. DODD. I wonder if the gentleman from New Jersey would be willing to accept such an amendment.

Mr. WILLIAMS of New Jersey. It was anticipated in the amendment I offered that the President would make findings and, of course, that we would know what his findings were. I should like to consider for a while the suggestion made by my friend from Connecticut. It is entirely possible it might be advisable to add to my amendment the requirement of reporting to the Congress.

Mrs. KELLY of New York. May I ask the gentleman from Connecticut a question?

Mr. DODD. Yes.

Mrs. KELLY of New York. Suppose Congress adjourned before we receive that report, then possibly the State Department could rush in and deliver all those advanced weapons which at this point have not been delivered.

Mr. DODD. The Executive, of course, makes many important decisions during congressional adjournment. But I hope that the responsible officials of the Government will not act on such a matter in which the people of the United States are vitally interested without at least keeping in very close contact with congressional leadership during adjournment.

Mrs. KELLY of New York. Mr. Chairman, in answer to the statement made by the gentleman from Connecticut, may I say that on our trip throughout Europe many of the leaders of the countries we visited brought up Yugoslavia as an example, telling us that due to the fact that Yugoslavia was playing both sides of the aisle, or East against the West, there was a question in their minds if they should not remain neutral and do the same.

Mr. MASON. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from Illinois.

Mr. MASON. We took a calculated risk in the beginning when we granted the aid to Tito. We took Tito on faith. Can anyone say that our calculated risk was wise, at this point, that our faith was well-grounded? Certainly the actions of Tito have demonstrated beyond any doubt to me where he stands. I certainly would not want to leave it to the President at this point and let him determine, because the President would have to consult someone in the State Department to find out what their ideas were. We were told by our comrade here,

the gentleman from Minnesota [Mr. Judd], that the State Department is still full of Communist sympathizers, and they would determine whether this calculated risk would be warranted.

Mrs. KELLY of New York. I agree wholly with my colleague the gentleman from Illinois [Mr. MASON].

Mr. FEIGHAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey.

In the first instance, Mr. Chairman, I should like to say with reference to the remarks of the distinguished gentleman from Illinois that this so-called calculated risk of which he spoke was, in my opinion, a matter of little calculation, if any, and all risk.

Mr. MASON. I would agree.

Mr. FEIGHAN. In my opinion it would be an act of cowardice and failure to measure up to our responsibilities, in view of the facts that are so well known to us, if the Congress voted to pass the buck to President Eisenhower, whom we all know is already overburdened. In my opinion, we should stop aid forthwith to Tito, the ruthless Communist dictator.

As every Member of the 84th Congress knows, the Congress last year adopted an amendment which I offered to the Mutual Security Act that made it absolutely mandatory that any nation which is the recipient of aid under the Mutual Security Act must permit continuous observation and review by United States representatives of programs of assistance, including the utilization of any such assistance.

It was quite obvious to the Members that my amendment was aimed directly at the Communist dictator Tito, who as revealed in the hearings before the Foreign Affairs Committee, steadfastly refused to permit complete inspection of the end use of assistance granted under the Mutual Security Act. The effect of my amendment, of course, applied to every recipient nation.

President Eisenhower signed the Mutual Security Act as amended on July 8 last year. Now let us examine whether or not that mandate of Congress was carried out. The gentlewoman from New York [Mrs. KELLY] just read from page 152 of the hearings which took place on March 27 of this year, in which the Deputy Assistant Secretary for International Security Affairs of the Department of Defense said, and I quote:

General Waters, I believe, in the first week of February went out and made a complete inspection trip, which is the first time that has happened to our MAAG in Yugoslavia.

In view of this fact, as stated by Mr. McGuire, I would like to inquire whether the United States representative had stopped in accordance with the law, the supply of materiel and funds to Yugoslavia during that period from July 8 until the first week of February of this year, which was 6 months later, when, as Mr. McGuire said, it was the first time that a complete inspection trip was made in Yugoslavia by representatives of the United States Government. In view of this flagrant violation of the act of Congress, I should like to inquire if any of the United States armed services per-



sonnel or United States representatives in Yugoslavia during that period have been court-martialed or fired for dereliction of duty. In my opinion, what has transpired from July 8 until the first week in February, in Yugoslavia, with reference to assistance provided by American taxpayers' funds is another reason why the Congress should not pass the buck to the President, because the President apparently was not made cognizant of the true situation which existed in Yugoslavia during that period. In my opinion, the Congress would be abdicating its time-honored duties if it fails to take positive action in this matter and passes the buck instead to President Eisenhower. I sincerely hope that the amendment offered by the gentleman from New Jersey [Mr. WILLIAMS] will be defeated, and the amendment of the gentlewoman from New York [Mrs. KELLY] will be adopted.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. FEIGHAN was granted 1 additional minute.)

Mr. WILLIAMS of New Jersey. Will the gentleman yield?

Mr. FEIGHAN. I yield.

Mr. WILLIAMS of New Jersey. Does the gentleman think the security of this country is furthered best by having Yugoslavia independent, or under the heel of the Soviet power?

Mr. FEIGHAN. My answer to that is that in my opinion Tito is nothing but a Russian stooge. He has been for many years a Russian agent. All his life he has studied in Moscow for the purpose of imposing the Marxist doctrine upon the good people of Yugoslavia.

Any idea of his being independent is absolutely contradictory to the facts, because a person cannot be a national patriot and Communist at the same time, because communism means adherence to the Marxist doctrine of world Communist empire.

Mr. WILLIAMS of New Jersey. Then the gentleman has never supported the policy we have followed over the years of trying to keep Yugoslavia independent.

Mr. FEIGHAN. I never thought you could, and that is why the last 2 years I offered amendments to stop any aid to Yugoslavia.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Is not the man you are talking about one of our allies to whom we have given billions of dollars? Will not the gentleman's remarks kind of interfere with our foreign policy?

Mr. FEIGHAN. If you strike out the word "ally" I will agree with you 100 percent. I disagree that he has ever been any ally. I think that if the Communists from Moscow went on the march one of two things would happen: Either there would be a revolution by the people of Slovenia, Croatia, Serbia, and Montenegro against the despotic rule of Tito or else they would be forced with Russian guns at their backs to fight against the free world.

Mr. HOFFMAN of Michigan. I never had any use for any of them.

Mr. HAYS of Ohio. Mr. Chairman, I rise in support of the Williams amendment.

Mr. Chairman, I had not intended to participate in the debate on this amendment or any amendments thereto, but it seems to me that the debate has come to the place where there is considerable heat and not very much light on just exactly what we are trying to do.

The amendment offered by the gentleman from New Jersey [Mr. WILLIAMS] to the Kelly amendment it seems to me would make sense unless the House proposes to take over the day-to-day conduct of foreign affairs; and, obviously, that is something we cannot do.

I have disagreed with the President, and I suppose nobody on the committee or off the committee disagreed more than I or more strongly than I did on yesterday in the matter of increasing the amount of this bill by \$600 million; but on occasion I have agreed with the President and on occasion I have tried to help get his program through.

There seems to me to be one fact that has been overlooked in this matter. He is the President of the United States; and, as somebody said yesterday, he is the only President that the United States has at this time and if we cannot trust the President of the United States to do what the Congress tells him to do then perhaps we had better pass some kind of law to take over the complete administration and responsibility of the executive department itself and amend the Constitution.

It is simply obvious that we cannot sit here and decide what is going to be done on foreign affairs from day to day. I think a certain amount of direction from the Congress is necessary, but I also feel that a certain amount of flexibility for the Executive is necessary for the day-to-day conduct of this particular piece of legislation that everybody knows we are going to pass.

I hold no brief for Tito; as a matter of fact when I was in Yugoslavia in 1949 one of his assistants in the foreign affairs department cornered me at a reception and he said: "You have a lot of Serbs in your district, don't you?"

I answered: "Well, if anybody ought to know that it is you, for you used to run a Communist newspaper in Pittsburgh, didn't you?"

He stepped back a couple of steps and our Ambassador thought I had wrecked all relations with Yugoslavia. But that was not the worst; he came back for more, and he said, "Well, we want to know what the Serbs in your district think of this regime."

I do not know whether you are familiar with the conduct of internal politics in Yugoslavia, but the Serbs are one nationality, and Tito is a Croatian. The Serbs were loyal to Mihailovich.

I told him, "They think that you are a bunch of thieves, cutthroats, and murderers. That is how you rate in my district; and if they had their way they would hang the lot of you from the nearest telephone pole."

At that the Ambassador nearly had a stroke and he said, "Why, now, you really have ruined things"; and he lectured me

for hours and was going to report to Washington about it, probably did for all I know. But do you know what happened? The next day, for the first time, Tito's gang gave a reception for the Americans. I think they appreciated a little straight talk. I do not know what report that particular Ambassador sent back to Washington, but I know what report I gave when I got back to Washington to the then President. It may be a coincidence, but they replaced that Ambassador in Yugoslavia about 10 days later and we sent an Ambassador over there who started talking tough. I do not think anyone on this floor can say that Tito was friendly to Stalin. We helped to keep them separated as long as Stalin lived.

We are hearing a lot of argument now that Tito is friendly with Bulganin and Khrushchev. I do not approve of that, of course, but I cannot tell him who to be friendly with. If you want to go back to a year ago we had a lot of pictures in the paper showing the President of the United States having a smiling conference with Khrushchev and Bulganin. I am not criticizing the President for that. I do not think he had any other alternative. I do not believe the results at Geneva were very beneficial, but I do not believe the President could have refused to go because in the eyes of the world if he had refused everybody would say: Those Americans will not even sit down and talk peace.

The CHAIRMAN. The time of the gentlemen from Ohio has expired.

(By unanimous consent, Mr. HAYS of Ohio was allowed to proceed for 5 additional minutes.)

Mr. HAYS of Ohio. Mr. Chairman, we have to do things sometimes in the long-range interest of peace that do not seem to be particularly popular at the moment. This matter has troubled me, not only this year but in other years and I am not happy about it. I do think the amendment offered by the gentleman from New Jersey will do the thing that needs to be done and will put the burden right where it needs to be placed, on the President of the United States. He will make the decision and I will be satisfied. I have enough confidence in his integrity to let him make the decision. I do not think we can make it here.

Mr. DONOVAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from New York.

Mr. DONOVAN. Is it not true that the Mutual Security Act, the organic act, notwithstanding the amendments and the bill as reported this year, provides that the President has that authority anyway?

Mr. HAYS of Ohio. That is true, but this points it up.

Mr. DONOVAN. The direction the gentleman's argument is taking is somewhat like the Ambassador in Yugoslavia; it is intended to ruin the very guts of the Kelly amendment.

Mr. HAYS of Ohio. I may say to the gentleman that you cannot police and I cannot police and the Congress cannot police everybody in the State Depart-



ment and every Ambassador. Certainly the gentleman who was then Ambassador was probably doing what he thought was best. It just happened I did not agree with him.

Mr. DONOVAN. Is not the design of the amendment offered by the gentleman from New Jersey to take the meat right out of the Kelly amendment?

Mr. HAYS of Ohio. No. I think it could even be strengthened if both participants, the gentlewoman from New York [Mrs. KELLY] and the gentleman from New Jersey [Mr. WILLIAMS], would agree to accept the language suggested by the gentleman from Connecticut [Mr. DODD]. I believe then the Kelly amendment would be effective and the thing that the Kelly amendment seeks to do would be done. Congress would get a report on why the President made whatever decision he did and beyond that I do not think you can rightfully go.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Ohio.

Mr. FEIGHAN. The amendment offered by the gentlewoman from New York states definitely that we will cut off all aid to Communist dictators, is that right?

Mr. HAYS of Ohio. Yes.

Mr. FEIGHAN. That is not a responsibility of the State Department or of the President. That is the measure that is before the Congress. We have that responsibility. If we vote against aid to Tito, it does not affect the operation of the day-to-day functions of the Department of State. This is a determination which the Congress should have the courage to face up to.

Mr. HAYS of Ohio. I do not think it is quite as simple as that because what you are proposing to do here, if we follow your argument—I am speaking now to the gentleman from Ohio—is if there is any shadow of doubt at all that Tito is even neutral, you are proposing to say: "We do not want you to be neutral, go on over to Russia, take your troops, and stay there."

Now, I think there is just a shadow of doubt. I think that he is not, after his experience, going to let the Kremlin dictate to him any more, and I think that is worthy of salvaging. I am not too happy with neutrals and all that sort of thing, but I point out to you that this country right after the American Revolution was pretty neutral. We turned our backs on our ally, France, and I do not think we ought to go around saying to people "You cannot be neutral; you have to be the way we tell you to be or go over to the other side and be against us." Now, that is what it boils down to.

Mr. DODD. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. HAYS of Ohio. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, as I understand the parliamentary situation, we have an amendment offered by the gentlewoman from New York [Mrs. KELLY], and an amendment to that amendment

offered by the gentleman from New Jersey [Mr. WILLIAMS].

The CHAIRMAN. The gentleman is correct.

Mr. DODD. It would, therefore, not be proper to offer an amendment to the amendment offered by the gentleman from New Jersey, I take it. It would then be in the third degree.

The CHAIRMAN. It would be in the third degree and would not be in order.

Mr. DODD. Would it be in order to offer a substitute amendment to the Kelly amendment?

The CHAIRMAN. That could be in order. It would depend on how it was drafted, but it could be in order.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Kentucky.

Mr. CHELF. I heartily agree with what the gentleman has said. He has made a very fine presentation of his argument. But, the thing that concerns me in this day and age especially in Europe and Asia, a vast amount of their good will contacts socially and even officially is done at cocktail parties. In their foreign policies many countries in Europe and Asia, are argued, discussed, and even adopted at a cocktail party, over a beer keg, a martini, or a Manhattan glass. No doubt at this time Tito is in Moscow lapping up vodka like a hog laps up slop. That is what is worrying me most about this particular amendment. This condition also disturbs me about foreign policies of various governments. Nehru has said: "I leave my heart in Moscow." Too bad he did not leave his silly head.

Mr. HAYS of Ohio. I do not know how much of a vodka drinker Tito is.

Mr. CHELF. They tell me that that stuff is like block and tackle moonshine. You will walk a block and you will tackle anybody. They say that vodka takes your breath away and then makes one reach out and scratch where it does not even itch. I was in Moscow in 1945 and while there I was offered the drink. I refused to take it.

Mr. HAYS of Ohio. Well, I have been there, too, and I did not lap any of it. I will say that. It is a matter beyond my knowledge as to what is going on drinkingwise.

But, I would like to make one concluding remark. It seems to me you are faced with this alternative of slamming the door shut firmly and saying "We are through; go on over to the other side; we do not want you; forget about it" or maybe taking a chance, maybe a long one, maybe a 10 to 1 shot that he still will not accept dictation by the Kremlin. And, if I am faced with a certain alternative on the one hand and a 10 to 1 chance on the other, it seems worth taking a 10 to 1 gamble in the face of an obvious loss.

Mr. CHELF. The gentleman from Ohio has made a very cogent statement and I want to congratulate and commend him upon his knowledge and hard work on the committee.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the Kelly amendment.

Mr. Chairman, the assistance available to Yugoslavia in this bill is comparatively small, but the issue involved may, before action is finally taken on this bill, develop into a major precedent.

Mr. Chairman, first I want to say that I have the greatest admiration and respect for the ability and the good intentions of the gentlewoman from New York. She has been fighting on this issue for a long time. But, let us see what is involved before we act in haste.

I hold no brief for Tito. In fact, in this bill right now as it was reported by the committee he has been handed a pretty heavy jolt. The executive department was after \$30 million in economic aid and it has been cut in half by this committee to \$15 million. As to the other money he is going to get—I cannot give you the exact figure—the additional military aid in this for Tito is much smaller than some of the figures which have been mentioned in various places. Now, remember this—and I agree with the gentleman who first spoke in that respect—that we want people to be on our side in this world conflict now, but we would rather have nations as neutrals than as enemies if we cannot get them to join us. What would you do if you were the head of Yugoslavia, a small nation just like the United States was after we won our independence? What would you do? Here is one of the poorest countries in Europe. Tito is right there, almost under the guns of the Kremlin. He is the only living dictator of a Communist country that has ever dared to stand up to Stalin and has lived to tell the tale. Do you want to help to drive him, with his 20 divisions, back into the Russian camp? General Gruenther says that Yugoslavia is a crucial point on the front if war should come. Yugoslavia's 20 or 25 divisions, holding that many Russian divisions down, would be invaluable to the allied forces in the event a war came. Do you want to do that?

Well, if you want to drive Tito into the Soviet camp there is no surer way than to take action along this line. You are not investing much. The President of the United States has already said that he is going to reevaluate this situation. It is true that Tito is over there now in Moscow visiting. But they tell me that General Twining is preparing to go over there from the United States. I do not know whether that is the wise thing to do or not; but nobody who goes to Russia is going to say that he does not want to be a friend of the Russians if they really honestly want to be friends themselves. This does not mean coexistence, but we all hope the day will come when we can really be friends with a free people of Russia. We want to raise this pall of a possible atomic war that hangs over the world if we can.

I know that this is not the purpose of the author of the amendment, but if the amendment is approved, Tito will have no choice but to throw in his lot with the Soviet Union. It is true that he is play-



ing both ends against the middle. He wants what he can get out of the United States and he wants what he can get out of Russia. There is no question about that. But where is he to turn except to the United States or to international communism?

If his people are given a free choice and really want communism, that is their business. I would not have any quarrel with Russia and their communism if it was the free choice of the Russian people and if they did not try to subvert other peoples and other governments.

When Stalin had that row with Tito, Tito told him off and said, "I am running this country; I am a Yugoslavian Communist, but I am not trying to dictate to other nations." And he even joined a federation with Turkey and Greece. He thumbed his nose at Stalin. And, believe me, if he did that to Stalin, with all the power that Stalin had in those days, then perhaps those people over there now cannot coerce him into a course of action against his own interest and independence. But let us not push him over to them.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

(Mr. RICHARDS asked and was given permission to proceed for 5 additional minutes.)

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to our distinguished Speaker.

Mr. RAYBURN. We have a lot of neutrals in the world. We have 350 million of them in one place in the world. Is it not much better to have them as neutrals than to have them as enemies, as the gentleman and I believe this would make Yugoslavia if this action were taken here today?

Mr. RICHARDS. Mr. Chairman, I appreciate that statement, and it is 100 percent true. If we are going to try to kick everybody around because they will not firmly sign up with our side, right at this crucial time, when they are wavering as to which direction they ought to take, we may be making a bad mistake.

Take the great Government of Italy. Is anybody going to suggest that we cut out aid to Italy because at times almost half of their representation in their parliament was Communist, even though they have the influence of the Vatican right there? It has been touch and go in Italy. Are you willing to cut out aid to Israel because they have seven Communists in their parliament? Are you going to do that? Mr. Chairman, if you are going to do that then we had better just quit this battle and come back here to this country and fortify our own shores.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Iowa.

Mr. GROSS. What evidence is there that Tito is neutral or will be neutral?

Mr. RICHARDS. You just have to figure out, what you think his record means.

Mr. TUMULTY. Do you think he is neutral when he shot down our fliers?

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Michigan.

Mr. BENTLEY. May I ask the gentleman from South Carolina this: Is there not a risk that by making neutrality in the case of Yugoslavia and India as attractive as it is we are likely to encourage other countries now our allies to embark on a course of neutrality if they think they can get away with it, countries such as Germany and Greece?

Mr. RICHARDS. I do not know about that, but if you do this to Tito you will certainly discourage other satellites from kicking over the traces, because they will say, "Who have you got to back you up?"

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Is it not correct that, if we deprive the Communist Tito of this aid, such action will be a beacon light to the hopes and aspirations of all the people who want to overthrow the tyranny of communism?

Mr. RICHARDS. I do not think it will work out that way. It will certainly discourage the leaders of the satellite countries.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. HAYS of Arkansas. The gentleman from South Carolina has spoken against the Kelly amendment. I wonder if he would mind expressing his opinion as to the wisdom of accepting it if the Williams amendment were embraced in the Kelly amendment.

Mr. RICHARDS. I think that might be helpful. I have not spoken to that amendment. But so far as I am personally concerned, if the Kelly amendment is amended by the Williams amendment, so that the President will have to make a finding, which will leave some flexibility, I do not think it will do too much harm.

Mr. HAYS of Arkansas. I addressed that question to the chairman because I agree, incidentally, with the chairman's viewpoint completely. I think he has reached the heart of the matter. I trust the House will agree with it. I offered this other idea inviting the chairman to agree with the Williams amendment, because it does recognize officially that something may have happened that was not in the committee's mind when we reported even this lower amount, \$15 million. So I know the House will be interested in the chairman's views on that. It just seemed to me that was the answer, if we could adopt the Williams amendment.

Mr. RICHARDS. That might be. I would not oppose it if the Kelly amendment is amended by the amendment offered by the gentleman from New Jersey.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from New York.

Mr. MULTER. Does not the gentleman think the whole question might be very quickly resolved if we could get some commitment from the President or the State Department as to when the reevaluation would take place? We have been hearing about that for 4 years. If they could give us some indication of when they would go to work on it, the question might be very quickly resolved.

Mr. RICHARDS. I do not think we could put the Executive on a timetable and say, "Get your findings up here at a certain date," but I think if the Congress took that step, we would have a reevaluation of that situation right away. I hope that, if the Kelly amendment remains as it is, it will be voted down, but if the Williams amendment to the Kelly amendment is adopted, I would be disposed to accept it.

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. DODD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DODD. Would it be in order to offer a substitute for the Williams amendment to the Kelly amendment?

The CHAIRMAN. That would be an amendment in the third degree and would not be in order.

Mr. DODD. Would it be in order to offer a substitute for the Kelly amendment as amended by the Williams amendment?

The CHAIRMAN. It would.

Mr. DODD. I have such an amendment. Mr. Chairman, I offer an amendment.

Mr. RICHARDS. Mr. Chairman, I would like to see if we can reach an agreement on time. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Connecticut [Mr. DODD].

The Clerk read as follows:

Amendment offered by Mr. DODD as a substitute for the amendment offered by Mrs. KELLY of New York: On page 3, after line 4, insert the following new section:

"SEC. 4. Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which contains general provisions relating to mutual-defense assistance, is amended by adding at the end thereof the following new section:

"SEC. 143. Prohibition of assistance to Yugoslavia: Notwithstanding any other provision of law, no assistance under this title or any other title of this act, or under any provision of law repealed by section 542 (a) of this act, shall be furnished to Yugoslavia after the date of the enactment of this section."

"Unless the President finds (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, and (2) that it is in the interest of the national security of the United States to continue the



furnishing of assistance to Yugoslavia under this act: *Provided*, That the President shall forthwith transmit such findings together with his reasons therefor to the Congress."

Mrs. CHURCH. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Connecticut [Mr. DODD].

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mr. DODD. Mr. Chairman, the change that I suggest be made in the Kelly amendment as amended by the Williams amendment is the proviso just read by the Clerk. That proviso contained in my substitute amendment in effect requires the President to notify the Congress whenever he finds that aid to Yugoslavia is in our national security interest and that Yugoslavia is still independent, and to tell the Congress on what basis he so finds.

I feel compelled to offer the substitute amendment, because the Williams amendment to the Kelly amendment weakens the Kelly amendment substantially. In fact, the Williams amendment in essence requires the President to do what he already has the responsibility to do.

The Williams amendment is nothing but a compromise. It is a matter of expediency and an attempt to avoid facing the issue of the Kelly amendment directly.

If the President is going to make any findings on giving aid to Yugoslavia, then the Congress and the American people should be taken into his confidence and should know the basis for such a decision.

The gentlewoman from New York [Mrs. KELLY] has fought vigorously and gallantly to cut off aid to Yugoslavia. She is to be commended for her action.

I think at this juncture in world affairs we should give particular pause in our dealings with Tito. No one can deny that Tito is a Communist dictator with one of the worst records for suppression of human freedoms and dignities.

We must bear in mind that the responsibility of United States world leadership is being put to the test as never before. The whole free world is watching what we do here today. Our able colleague from Minnesota [Mr. Judd] has put it best when he said that this is really a moral problem that confronts us.

The Congress and the people of the United States are justified in their resentment of Tito now that he has yielded to the Kremlin in such a warm embrace. It is essential that what we do here today reflect that resentment.

Since the indication is pretty clear to me that the Williams amendment to the Kelly amendment is going to be adopted, I am anxious that it be strengthened and given substance to the fullest extent. That is the objective of my substitute amendment.

Mr. Chairman, by adopting my substitute amendment, we will put the executive branch on notice that the Congress is not satisfied with Presidential findings on this important issue in a vacuum. If the President is going to make findings that assistance should be

continued to Yugoslavia on the basis that such assistance is in the security interest of the United States and that Yugoslavia maintains its independence of the Kremlin—an independence which I seriously question, in view of what is going on at this very moment between Tito, Khrushchev, and Bulganin—then the President should notify the Congress of such findings and should give us the reasons for those findings. This would put the Congress in a position to review Presidential action and to take its own action based upon the facts.

I feel that my substitute amendment should be acceptable to the gentlewoman from New York [Mrs. KELLY] and the gentleman from New Jersey [Mr. WILLIAMS] and I hope the members of the committee will give it the overwhelming support it deserves.

By doing so, the Congress will be telling Tito that as far as the United States Congress is concerned, no United States aid is to go to Yugoslavia.

Mr. WILLIAMS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New Jersey.

Mr. WILLIAMS of New Jersey. If the parliamentary situation could have been such that I might have accepted the contribution of my friend from Connecticut I would have done so, but it was impossible to get it added to the amendment I offered. However, I would like to say if the vote on the amendment I have offered to the Kelly amendment prevails, I certainly will support the gentleman's substitute.

(Mr. DODD asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, the substitute offered by the gentleman from Connecticut [Mr. DODD] and the amendment offered by the gentleman from New Jersey [Mr. WILLIAMS] are in the nature of sops, nothing more or less.

Now, let us face right up to the issue. I recall and I think most Members of the House recall when the Battle Act was passed. We passed that law in all good faith. We said, in effect, that no more aid will go to countries that ship strategic materials to Russia or the Soviet satellites, to Communist countries. I defy anyone in this room here today to cite me an instance of where aid has been denied to any country in the so-called free world, our so-called allies, because they have shipped strategic materials to the Soviet countries. Yet, less than 2 years ago the British, French, and other beneficiaries of lavish American handouts, on the record admitted having sold and shipped strategic materials to Russia. When I contacted the White House and asked why the Battle Act was not enforced, I got the reply that the Battle Act was not being enforced because it was to our enlightened self-interest to continue to give aid to people who were trafficking in

strategic materials with the Soviet countries. Let us face right up squarely to the issue here. Either you are for or against cutting off further money, arms, and jet planes to Tito, and the amendment of the gentlewoman from New York puts an end to that program. The Dodd substitute and the Williams amendment are simply sugar-coated pills in the nature of sops.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from South Carolina.

Mr. RICHARDS. As a matter of fact, my friend is in favor of cutting off aid to everybody. Is that not right?

Mr. GROSS. Let me say to the gentleman I am in favor of this Congress saying what it means and meaning what it says. Let us face up to this issue. Let us not kid ourselves that we will be doing anything effective to adopt either of these last two proposals. The President has the authority under the Mutual Security Act to put funds anywhere in the world he wants to, and the gentleman knows it. He has broader authority in the disposal of funds under the Mutual Security Act than any President ever had, authority that I have repeatedly stated no President should have.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. TUMULTY].

(Mr. MURRAY of Illinois and Mr. DONOVAN asked and were given permission to yield the time allotted to them to Mr. TUMULTY.)

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. TUMULTY. I yield to the gentleman from California.

Mr. JACKSON. I should like to call to the attention of the Members of the House, in speaking of the neutrality of Mr. Tito, that in 1948 when two Members of this House, the gentleman from Texas [Mr. TEAGUE] and I, were brought under Communist fire from Yugoslavia and across the Greek frontier, there was no evidence of good will or benevolence on Tito's part. Tito permitted thousands of guerrillas to pour across the Yugoslava frontier to frustrate the efforts this Nation was making to assist in keeping the Greek people free. There was no question about Mr. Tito's neutrality at that time, nor is there today so far as I am concerned.

Mr. TUMULTY. Obviously there is some very clear evidence that Tito, the dictator of Yugoslavia, is proving less than a friend, or we would not have three different propositions offered by the House to cut off aid one way or another. The fact remains, however, that the first thing Tito did when he went to Moscow was to lay a wreath on the tomb of Lenin saying, "Long live the Soviet Union. Long live the friendship between the peoples of the Soviet Union and Yugoslavia." He said, "We will march along with Marx, Engels, and Lenin." That means that Tito is going to march in the drive for world revolution founded by Marx, Lenin, and Engels, for the destruction of the system we represent, for the destruc-



tion of this very House, for the destruction of every independent government.

Now, it has been argued that it is to our self-interest to give him money so that he will be on our side. Now, let us not kid ourselves. There is no sense in all these pious platitudes in regard to what we are doing for Yugoslavia. Pious platitudes to the contrary, the money we give to Tito a self-proclaimed world revolutionist is a bribe to get him to sell out the revolution.

We are trying to bribe Tito in the hope that he will forget his dedicated life as a Communist, as a sworn revolutionary and help us defeat the cause he represents.

I assumed when I was elected to this House that I would meet with the most practical, hard-headed men in the world. You will forgive me if I say that I am beginning to wonder. I thought I was elected to Congress. I think I have been elected to never-never land. I never saw such tears, such sympathy for the most ruthless gang of murderers and bandits that civilization has seen, and such pious reasons for sordid business dealings.

Now, if you want to bribe him and you think he will stay bought, that is one thing, but call the action by its true name. But I, for one, do not believe you can keep him bought. I think when he gets up and says he is not going to be bought, it is only commonsense to get our money back, if nothing else.

I have heard a great deal of talk about neutrality. These clichés seem to have almost the influence of dogma on some people. A Marxist, a Leninist Communist is not neutral. When it comes to the chairman of the Committee on Foreign Affairs of the House, the first one Tito would shoot, if he had the opportunity, would probably be the chairman of the Committee on Foreign Affairs.

There is no neutrality in the world struggle against atheistic communism. Neutrality is the worst form of hostility in a fight between all who are for Christian civilization and all who stand opposed to it.

It may be that Tito won an argument with Stalin. In other words, one Red won an argument with another Red. But that does not seem to me to be a good reason why we should pour out our gold in order to compliment him on the fact that he has proven to be a better revolutionary than Stalin.

I do not know exactly what type of practical reasoning governs our minds. But when you tell me that he has been independent, you might as well say that I am the fattest thin man that ever existed in the world; because a Marxist never could be independent. It is a contradiction in terms. All I can say is that we ought to start a congressional college for the study of Leninism to find out what we are doing, and what the true nature of the enemy is.

I was shocked when I heard the chairman of the Committee on Foreign Affairs say that it was any country's business if it wanted to be Communist. Is it not a little late to find that out? Have we not spent billions of dollars trying to prevent countries from going Commu-

nist? Now we are told that it is their business.

In fact, the new historians say that they are just like our American colonies. We were neutral vis-a-vis France, they will say. I do not understand what has happened to us. There must be some type of brainwashing that has been going on when you can compare the American colonists who were dedicated to the principle of their own self-determination, of their independence, and to God and their sacred honor, to a government which is dedicated to the destruction of everything decent in human life; the destruction of religion, the destruction of the home, the destruction of the family, the destruction of free speech, the destruction of this Congress, unless it first destroys itself. And it seems to me it is on its way to doing so if we continue to vote money to those dedicated to our destruction.

So the proposition is, should we continue in this foolish course? Should we subsidize our enemies? If we do, I suggest that when you go home for the coming fall campaign, give your campaign contribution to your opponent, or give it to his friends who say that are not for you and not for him, but they always work with him and pat him on the back, cheer his speech, and attend his banquets. If you do that, we can look forward to seeing many fresh faces here next year.

Cynics say if you buy votes, they should stay bought. If we are going to buy international prostitutes, we should want them to stay bought. There is no sense in kidding yourself. There is only one reason for giving him money and that is to buy him off. But it does a great deal of harm to us in the eyes of the so-called free world, whatever the odd definition may be of that, when they see us subsidizing world revolutionaries opposed to freedom while proclaiming we are in a crusade for freedom.

So that of the three propositions that of the gentlewoman from New York [Mrs. KELLY] certainly puts us four-square opposed to Tito and totally against all communism. The other two proposals try to do the same thing but by indirection.

It is amusing to me as a Democrat running in this election year to see what great faith Democrats have in the judgment of a Republican President. They seem to be pushing each other aside to say, "Let Ike do it." I want to vote against Tito myself. My people did not send me to Congress to vote according to the judgment of someone else. They sent me here, which particularly concerns the House, to give my judgment. I feel that by and large the great portion of the American people are against Tito, because they recognize him in their wisdom as an enemy of liberty, as an enemy of everything decent in life. The American people want us to stop shaking hands with the devil.

The Dodd and Williams amendments I oppose simply because they do not go far enough, but of the two, I think the amendment offered by the gentleman from Connecticut [Mr. Dodd] gets there eventually and lets the Congress have a

part in the job. Can anyone tell me what the President can find out about Tito that we do not already know? Is Tito another Budenz, who will come before a congressional committee and confess all? Will he turn out to be a Boy Scout that is a fugitive from a camp fire? Or will he turn out to be a murdering revolutionary and an enemy of the world, as we all know him to be and as he boasts he is?

Consequently, it is my feeling that to give this job to the President to do is to pass the buck, but of the two propositions, at least that of the gentleman from Connecticut [Mr. Dodd] does recognize the Congress has a function to perform. After all, we are voting the money, and it is on our conscience that this blood money rests when he give it to the murderer of American fliers.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. O'Konski].

Mr. O'KONSKI. Mr. Chairman, let us analyze this situation. There is no question in anybody's mind and good judgment that the greatest deterrent to the expansion of communism all over the world has probably been the fear of the people of a country that by joining the Communist orbit they might lose their independence, their sovereignty, and their freedom. The new leaders of the Kremlin know that this has been the greatest deterrent to the expansion of communism all over the world. So they adopted a new look, and in that new look they are using Tito and Yugoslavia as their showcase, as their wonderful sample. They are now going to say to the world that this capitalistic talk about a country losing its sovereignty and its freedom just because it joins the Communist orbit is just some more capitalistic propaganda. The Kremlin leaders are now saying under their "New Look," "we have an excellent showcase in Yugoslavia under Marshal Tito as to how nations can progress in the Communist orbit. It shows how a nation can become a member of the family of the Communist orbit and still maintain its independence and sovereignty. Even the greatest capitalistic country of the world, the United States of America, has gone to the extent of helping us finance that Communist showcase to the tune of \$1 billion since the war ended."

That is what you are doing in this bill. While in the Kremlin right now they are cooking up how they are going to put over this new look of communism all over the world, to entice these countries to come in under the Communist orbit, the Congress of the United States is at the same time providing the money to finance that new look and financing the No. 1 salesman and the showcase they are now going to present to the world, saying, "You can become a member of the Communist family and still maintain your independence."

In other words, in my judgment the greatest asset the Kremlin now has in the new scheme they are cooking up in the Kremlin is this foreign-aid bill that is before this House right now. If it is passed as it is written we are going to



finance the Communist new look all over the world. If the Kelly amendment is adopted, we are proving to the world that we are onto their new scheme. If we pass the Kelly amendment we are saying to the Kremlin we are onto this new Kremlin scheme of enticing the countries of world into their orbit and saying, "You can maintain your independence and your sovereignty and still be in the Communist orbit."

Let me tell you something. If you continue to finance Tito, you are taking away from the people of the world the greatest deterrent to joining the Communist orbit, and that is the fear that they may lose their sovereignty and independence.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Chairman, everyone who has spoken today has said definitely that they do not like Tito and they do not like the Government of Yugoslavia. Yet so many of them have ended up by saying, "Let us give \$15 million to this man we do not like." I wish they did not like me the same way. You do not like Communist Russia either. Should we give \$15 million to Communist Russia? I see no difference between giving to Communist Russia and giving to Communist Yugoslavia. Each say they would like to be friends but neither evidences that friendship. They want friendship only so that they can envelop us in their arms and crush us to death. Mrs. KELLY's amendment would cut off aid to Tito here and now. Mr. WILLIAMS says: "No. We do not want to take the responsibility. We must give it over to President Eisenhower." Yes. I can go along with him and the other Democrats who have spoken so favorably of President Eisenhower. But I believe we should stand on our own two feet here and now and say, "No. No more aid to the Communists, no matter under what guise they appear."

The acts and statements of Tito in Russia yesterday demand that Congress end all aid today. No one can love the devil and God at the same time nor can they love communism and Americanism. Each of us should support the Kelly amendment and say definitely to the world, "We no longer will support Communists. We no longer want communism." I believe very definitely in what someone said years ago to the Barbary pirates: "Millions for defense but not one cent for tribute." Let us not give Tito any more tribute. Let us use this 15 billions to build our defenses.

The CHAIRMAN. The time of the gentleman from New York has expired. The gentleman from Pennsylvania [Mr. FULTON], is recognized.

Mr. FULTON. Mr. Chairman, I rise in support of the Kelly amendment to ban United States foreign military and economic aid to Communist Yugoslavia. As the House knows, the gentlewoman from New York [Mrs. KELLY] and myself and others have consistently opposed this aid to Tito's dictatorship over many years. We should remember that Tito was against Stalin and Stalin against

Tito, because Stalin looked upon him as an organizer of communism in Western Europe in competition to the Stalin regime. There is no doubt Tito tried to do it.

Secondly, we should also remember that Tito was the personal friend of former Premier Georgi Malenkov in the early student days in Paris when they became Communists, and the two were inseparable friends. As a matter of fact, Georgi Malenkov got Tito the job as secretary general of the Communist Party in Yugoslavia, so Tito has close friendship with the current regime.

Tito says the whole United States foreign aid program should be loans and not aid grants. Yet under our foreign aid program, we are giving him aid grants. Likewise Tito has said just several days ago that these efforts in Congress to cut this program were of no importance to him. So, it is not much for him to lose the Adriatic highway and American surplus foods and jet planes that we are sending him which could under adverse circumstances knock down our bombers. Think of it. We are voting to continue to give this dictatorship one of the largest jet forces in the world.

Listen to what Tito says of aid from the free world. Tito said at a reception of the railroad workers, on January 11, 1951:

Every machine which enters our country helps to build socialism. We saw how right the Bolsheviks were when they asserted that socialism can be built with the aid of capitalist states. The American engineers built the largest power combine, Magnitogorsk, for the Russians and it never occurred to anyone to question their loyalty to communism. The aid of the Western capitalists to us has exactly the same value.

Then, on December 30, 1950, the official Belgrade radio on its Hour of Humor, had this to say of aid from America and others in an amusing couplet:

Those who to us aid do send  
See no further than their noses' end.

How can we say in America that when we simply cut off aid to Tito, we are against him. It is like Senator Barkley once said, "If you have once helped a person, and no longer give them something they may turn against you." In cutting off aid to Tito, we are just being neutral, as far as Tito is concerned, and I therefore ask that the Kelly amendment be agreed to.

The CHAIRMAN. The gentleman from Arkansas, [Mr. HAYS] is recognized.

Mr. HAYS of Arkansas. Mr. Chairman, it seems to me that as a result of the discussions the parliamentary situation is clear. We are not voting upon the question of whether or not aid should be granted to Yugoslavia.

I think that we should recognize the validity of the argument advanced by the chairman of our committee, the gentleman from South Carolina, that there have been good reasons in our own national interests for helping the Tito Government. That is not inconsistent with the fears some of us entertain regarding the effect of the Kelley amendment. In the same position with

Mr. RICHARDS is my friend from Minnesota, Mr. JUDD, who while differing with Mr. RICHARDS as to the wisdom of it, nevertheless feels it should be an executive decision and not a legislative decision, and that is the only thing we are passing upon here. It ought to be evident that the House is simply not prepared to say on the basis of the evidence that we have that it is not in the national interest to give some aid to the Yugoslav Government; and if the President under the terms of the Williams amendment, should find that it is in our national interest then we ought not to take some action that would preclude extension of aid that is in our own interest.

As the gentleman from Minnesota [Mr. JUDD] says, we ought to leave it to the executive to determine on the basis of changed conditions.

The CHAIRMAN. The gentleman from Ohio [Mr. VORYS] is recognized.

Mr. VORYS. Mr. Chairman, I think I am the original anti-Tito man, going way back to the time of the first Yugoslav aid bill and the Yugoslav claims bill. When that bill came to the floor I filed a one-man minority report and I had the thing whipped in the Committee of the Whole but lost out on a roll-call in the House. So I have quite a record along that line.

However, much has happened in 7 years. I am for the Williams amendment to the Kelly amendment because I think this is an executive, a Presidential function that is involved. I do not believe that the Dodd amendment requiring the report to Congress is necessary.

Some say that the Williams amendment adds nothing to the President's power. It is perfectly true the President has power under the present law to terminate assistance, but under the Williams amendment he is required to terminate assistance in this instance unless he makes specific findings which are spelled out, and those are the findings which would protect our own security.

Now, the beloved gentleman from New Jersey, the Little Giant [Mr. TUMULTY], has asked, "How can the President find anything we do not already know?" I suppose by "we" he means Congress. Unfortunately for this debate the amount of military aid that has gone to Tito, the amount and character of that which has not yet gone, is classified information. I have just reviewed it a few minutes ago in the secret books presented to our committee. That information is information that the President has, that the Congress in general does not have, certainly not in a form that can be used in debate on the floor. As I say, not only what has been delivered but what has not yet been delivered, is something Congress does not know. It seems to me that we should leave this to the executive branch, to the President. Since those questions cannot be discussed on the floor of Congress, we ought to get smart. People say that the Communists are outsmarting us. I do not think we are getting smart when we attempt to conduct diplomacy or military operations from the floor of this



House. That is why I am for the Kelly amendment only if the Williams amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I just want to reiterate that there is very little aid to Tito in this bill and there is not too much military aid, which of course, is a classified figure.

I shall support the Williams amendment to the Kelly amendment, and if the Kelly amendment as amended by the Williams amendment is agreed to I will support the amendment as amended. I think it is the wise thing to do and I hope the committee will follow that course.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WILLIAMS] to the amendment offered by the gentlewoman from New York [Mrs. KELLY].

The question was taken; and on a division (demanded by Mrs. KELLY of New York) there were—ayes 97, noes 86.

Mrs. KELLY of New York, Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. KELLY of New York and Mr. WILLIAMS of New Jersey.

The Committee again divided; and the tellers reported that there were—ayes 123, noes 95.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Connecticut [Mr. DODD] for the amendment offered by the gentlewoman from New York [Mrs. KELLY] as amended.

The question was taken; and on a division (demanded by Mr. ROONEY and Mr. BYRD) there were—ayes 82, noes 97.

Mr. ROONEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RICHARDS and Mr. ROONEY.

The Committee divided; and the tellers reported that there were—ayes 92, noes 96.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Mrs. KELLY] as amended by the amendment offered by the gentleman from New Jersey [Mr. WILLIAMS].

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. JUDD. Mr. Chairman, I ask for a division. I want the record to show so that the world will know how overwhelming is the opposition in this Congress and country to the principle of aid to any Communist country.

The CHAIRMAN. The gentleman can demand a division but hardly debate it.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. If I am opposed to what the Doctor says—aid—do I vote "aye" now?

The CHAIRMAN. The gentleman will have to use his own discretion as to how he votes.

The question was taken; and on a division, there were—ayes 183, noes 3.

So the amendment as amended was agreed to.

The Clerk read as follows:

SEC. 4. Title II of the Mutual Security Act of 1954, as amended, which relates to development assistance, is amended by striking out sections 201 and 202 and substituting the following new section:

"SEC. 201. Authorization: (a) In addition to the funds heretofore appropriated pursuant to the provisions of sections 201 and 418 of this act as in effect prior to the enactment of the Mutual Security Act of 1956, which funds shall remain available for their original purposes in accordance with the provisions of law originally applicable thereto, there is hereby authorized to be appropriated to the President not to exceed \$243 million, to remain available until June 30, 1960, for assistance designed to promote the economic development of free Asia, the Middle East, and Africa, based on self-help and mutual cooperation of friendly nations, and to maintain economic and political stability in these areas.

"(b) The President is authorized to utilize the funds hereafter made available for purposes of this title to accomplish in these areas policies and purposes declared in this act, and to disburse them on such terms and conditions, including transfer of funds, as he may specify: *Provided*, That such assistance shall only be available on terms of repayment, except (1) when such funds are used to finance sales of surplus agricultural commodities under section 402, or (2) when granted for the purpose of a regional project involving two or more beneficiary nations: *And provided further*, That not more than 25 percent of any funds hereafter made available for purposes of this title shall be used in furnishing assistance to any one nation (including bilateral assistance furnished to such nation as well as such nation's proportionate share of assistance furnished for regional projects in which it is involved).

"(c) To be eligible for bilateral assistance from funds hereafter made available for purposes of this title, a nation shall have entered into a written agreement, satisfactory to the President, to permit participation by private enterprise in the accomplishment of any of the purposes of this act in conformance with the provisions of section 413, which relates to encouragement of free enterprise and private participation.

"(d) Funds made available under this title may be used for expenses (other than those provided for under section 411 (c) of this act) to assist in carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance."

Mr. BENTLEY. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 4, before the period in line 12, insert the following: "*and Provided further*, That none of the funds hereafter made available for purposes of this title shall be used in furnishing assistance to India."

Mr. BENTLEY. Mr. Chairman, this amendment, is adopted, would take out \$70 million worth of development assistance for India from the bill, leaving untouched \$10 million for technical cooperation.

Mr. Chairman, I am not very optimistic about this amendment. If the House is willing to continue to permit our taxpayers' money to go to Communist Tito, I am not very optimistic that they are going to deny it to a fellow traveler, Mr. Nehru. But I would like to take the time available to me to let the Committee know just what they are voting for if they vote to continue aid to India.

In doing so I am going to quote from a very distinguished gentleman. He happens to be Mr. George Meany, president of the AFL-CIO. In a letter which Mr. Meany wrote to the New York Times and which was reproduced in the April 27 issue of the U. S. News & World Report the following paragraph is contained. Here is what Mr. Meany says:

Can it be denied that, in his December 13, 1955, joint statement with Soviet Premier Bulganin, Prime Minister Nehru has, in effect, gone into partnership with Moscow in regard to the question of disarmament, atom and H-bomb tests, and German national reunification? Can it be denied that Mr. Nehru has lined up with Moscow on the most vital foreign-policy issues between the free world and the totalitarian Soviet orbit? Is it not clear that Premier Nehru's statement to his Parliament that the Southeast Asia Treaty Organization and the Baghdad Pact have tended to encircle India is but an echo of the Khrushchev-Bulganin antiwestern propaganda? This is a Red fairy tale which, unfortunately, still finds credence in some adult quarters.

Earlier in a speech, on December 14, 1955, Mr. George Meany had this to say, and I urge the committee to listen:

No country, no people, no movement can stand aloof and be neutral in this struggle. Nehru and Tito are not neutral. They are aides and allies (of communism) in fact and in effect, if not in diplomatic verbiage.

Mr. Chairman, we are being asked in this bill to increase the amount for development assistance to India by \$20 million over that made available to India in the present fiscal year, 1956, an increase from \$50 million to \$70 million. The amount requested—and I urge the committee again to bear in mind that this does not touch technical cooperation. The amount requested will go for grain storage, highway construction, transportation facilities, malaria control, sanitation, road improvements, and so forth.

Mr. Chairman, I do not think we have to have too long memories to recall the position that the present government of India has taken so consistently. I think you will probably recall, for example, that in 1950 when the question of aggression against North Korea was debated in the United Nations the Indian delegate abstained from voting.

I think the Committee can well recall that in the year 1951 when the United Nations voted a resolution of aggression against Communist China that the delegate from India voted against that resolution. And we can go on and on talking about this consistent course that the Indian Government has followed with the Communists, with Moscow on almost every issue of foreign policy that has been brought to the attention of that Government.



I ask any individual member here of the Foreign Affairs Committee who has been a member of our delegation to the United Nations if the Government of India has ever stood with us in the United Nations at any time against the Kremlin, but instead if they have not always consistently stood up and voted with Soviet Russia and Communist Peking?

There is probably a reason for that, Mr. Chairman, and I think one of the reasons the Indian Government has taken that attitude is because of the policy we have taken over the past several years. We have given help to India to the extent of \$538 million. The Soviets have only recently announced a loan of \$100 million, or a proposed loan. We all know what the response of the Indian people was to the visits of Bulganin and Khrushchev to India last fall. There is no doubt where the sympathy of the people of India themselves lies.

I will tell you the reason for India's trying to be neutral. Ever since 1947 when India became liberated from Great Britain, India has tried to take a neutral attitude, but because of the fact we have insisted upon pouring this money into India ever since that time to the tune, as I say, of \$538 million, the Indian Government in an effort to observe neutrality has felt compelled to go the other way. It is my belief and conviction that if we terminate our aid to India, at least our economic development assistance, if we let India stand on its own feet, the Government of Mr. Nehru would be able to take a more neutral attitude.

So I strongly urge the adoption of my amendment.

I want to refer to two quotations in the record of the hearings of the committee, both statements made by Ambassador Cooper. Quoting from page 868 of the hearings:

India has chosen a democratic form of government. Its Government is determined that it shall maintain that form of government and that it shall succeed.

The Ambassador said further:

If the United States does not supply any aid, I think India will make the same effort, with the same determination.

Three pages later, on page 871:

The Indian Government has adopted what they call a socialistic pattern with respect to the development of their country.

If this House wants to go on supporting, with American tax dollars, socialism as well as communism, it is at perfect liberty to do so, but I think the Committee of the Whole should know what kind of government the present Government of India is according to the word of the American Ambassador himself.

As my good friend from Minnesota said, I think it is about time that this Government and the people of this country ought to stop feeding the hand that slaps us and stop giving into the hands that are pulling the whiskers of Uncle Sam.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

Mr. Chairman, our assistance to India, has contributed to the success of its 5-year plan. India has entered into

the second phase of economic recovery. By refusing to give India any additional aid we will in effect force this nation, which is at the very border of Communist China, to go elsewhere. We may not agree with everything that India's leaders have said, but we must bear in mind the 380 million people who live in India. We must bear in mind the future of that country. We must bear in mind that it is vital to the free world that India succeed in achieving economic progress and outshow Communist China. The Soviets are making every effort to see that Communist China may become the most developed nation in Asia. It is in the interest of the free world that India—rather than Communist China—attain that position.

Mr. Chairman, this bill authorizes \$10 million of technical assistance for India, and \$6 million for development assistance. Under the provisions of this section, only 25 percent of the total money for the area—\$243 million—would be available for India. I want to point out to the committee that the development assistance to India is on a loan basis, except for the agricultural surpluses.

India must ask for this assistance, and under section 20, paragraph (c), to be eligible India must enter into a written agreement satisfactory to the President to permit participation by private enterprise in the accomplishment of any of the purposes of this act, in conformance with the provisions of section 413 which relates to the encouragement of free enterprise and private participation.

I think it would be a grave mistake if the United States discontinued all of the assistance to India as this amendment proposes.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Michigan.

Mr. BENTLEY. I wonder if my friend from Wisconsin recalls the recent statement made by the President of the India League of America in which he urged that India refuse additional aid from the United States because it is a major source of friction between our two countries.

Mr. ZABLOCKI. I am sure that the gentleman you quote does not speak for India. I am sure that the people of India think differently. Those of us who visited that country last fall can well assure the gentleman from Michigan that India appreciates the aid and assistance they have received from us, and need additional aid. It was pointed out in the hearings that India has only three sources from which to secure finances to continue its development program: by increasing the already high domestic taxes, which is virtually impossible, by getting assistance from us on loan basis and in the form of agricultural surpluses, or by going to Soviet Russia. If the amendment prevails, I am sure India will have no alternative but to turn to Russia.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not also true that the gentleman from India to whom the

gentleman from Michigan referred, Mr. J. J. Singh, is opposed to granting aid and making India feel under obligation to the United States, but is in favor of making business transactions between the two countries, such as loans?

Mr. ZABLOCKI. That is true. Many of the Indian leaders expressed that feeling. There is no question that India needs aid and desires the assistance on a loan basis. The authorization in this legislation provides for assistance to India on a loan basis.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Pennsylvania.

Mr. FULTON. When the name of Mr. J. J. Singh comes up, I want to say that he has been a long, long time personal friend of mine. I have visited him at his home in Kashmir, and he is as fine a fellow as you could want, a completely democratic-minded individual. He agrees with many Members on this floor that the aid should not be a grant or giveaway but that India should stand on its own feet. India is a democracy, and she is having a very hard time economically at present. She is in competition with the Chinese dictatorship in their respective development plans. And, we feel that the people of India will stand on their own feet, and will be glad to pay for their own development as they progress. I like the self-respect of the Indian people and my good friend J. J. Singh, of New York City.

Mr. ZABLOCKI. It is erroneous to say that J. J. Singh is opposed to a loan.

Mr. FULTON. That is certainly correct.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. HINSHAW. There is a very serious situation with respect to trade between the United States and India. Since India was freed from British suzerainty, the trade treaty which covered India, and by virtue of its being covered by Great Britain and so forth, expired, and now there are no treaty traders in the United States from India and none in India from the United States. Yet, India needs aid, but India also needs trade. She has a cottage industry employing 100 million people a week, and yet the goods from this cottage industry are not available on the American market and they do not compete with our industry. It seems to me that if we would establish some basis so that we could trade with India, much of this aid could be eliminated.

Mr. ZABLOCKI. That subject was discussed with Ambassador Cooper, and we were advised that attempts are being made to develop trade with India.

Mr. HINSHAW. That problem is being considered by another committee, but nevertheless I think it is quite important that we reestablish trade relations.

Mr. ZABLOCKI. I would like to point out, Mr. Chairman, that India has been and is today cooperating with us in many ways. I believe that all of us are aware of the fact that we secure numerous strategic materials from India. This is



only one of many instances in which the Indian nation has been cooperating with us.

Another instance, and a very vital one, that I want to mention pertains to the monkeys which we import from India. In spite of considerable native resentment and dissatisfaction with this phase of our trade with India, the Indian Government has steadfastly continued to enable us to secure the moneys which are necessary for our research activities and for the production of the Salk vaccine.

It is only because of the splendid cooperation which we have received from the Government of India in this regard, that we have been able to produce Salk vaccine in the vast quantities demanded by our people for the protection of our children against that frightening ailment—infantile paralysis. Very few persons realize what difficulties the Indian Government has had to encounter because of its willingness and desire to cooperate with us for the benefit of our youngsters, and for the benefit of mankind.

I wish that it were possible for me to go into detail about some of our other vital arrangements with India. This cannot be done, unfortunately, for security reasons. Nevertheless, I want to say that I have no hesitation in recommending our continued assistance to India in the form proposed in the legislation before us. This assistance is very important to the continuation of the friendly, and mutually beneficial, relations which we enjoy with the Indian nation.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. ZABLOCKI] has expired.

(Mr. ZABLOCKI asked and was given permission to proceed for 1 additional minute.)

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, this is not directly related to the question of India, but I should like to read a dispatch from the New York Herald Tribune, as follows:

NEW YORK.—The New York Herald Tribune said today the Republic of Haiti has rejected a proffered \$100 million loan from Russia.

A Washington dispatch to the newspaper gave this account:

Soviet Russia offered the loan to the Negro republic recently as part of Russia's new economic drive to penetrate the Western Hemisphere.

Russian technicians were to go to Haiti to supervise whatever was done with the money, however, and Haiti said, "No; thank you," very firmly, even though it is in the market for more loans to develop its economy.

As we all know, that little Caribbean country is in desperate need of economic aid. While this has nothing to do with the amendment pending at the moment, it does have much to do with the entire bill and the thinking that is still going on. My hat off to the Haitians.

Mr. ZABLOCKI. Mr. Chairman, India is so close to success and to being able to show that it is a workable democracy that it would be short-sighted for us to discontinue assistance particularly since it will be only on a loan basis.

I hope the gentleman's amendment does not prevail.

Mr. JACKSON. Mr. Chairman, I move to strike out the last word.

(Mr. JACKSON asked and was given permission to revise and extend his remarks.)

Mr. JACKSON. Mr. Chairman, I am very happy that the gentleman from Michigan [Mr. BENTLEY] whose actions on this floor are always characterized by high principle and very deep conviction has, in spite of the action just taken in the matter of aid to Tito, seen fit to bring his amendment to the floor. With him I am somewhat puzzled about the vote on the Yugoslavia matter. In spite of the fact that the House saw fit to vote the continuation of funds, it promptly marched down the hill again when Dr. Judd clarified the issue and said that all who stood up on the division would be indicating their opposition to Tito. On that division, all but three in the House stood. It is a confusing climax to a confusing debate. We are engaged in a business of temporizing with people who have no hesitation in showing their dislike, their distrust, and at times their outright hatred of this Nation, of its people, and of our institutions.

The gentleman from Wisconsin [Mr. ZABLOCKI] whom I admire greatly, has remarked that after all India is on the very frontier of China and for that reason there are considerations which we should take into account in any contemplation of our program with respect to India. I must and do assume that the gentleman refers to fear on the part of the Indian Government, lest the Soviet might make some overt move. I would point out that India is not the only nation in the world confronted by the hostility of the Soviet Union across its frontiers. Special tribute should be paid to Turkey in its firm determination not to give way to the threats of the Soviet Union, although Turkey itself is confronted by the Communist armies across its own frontiers.

When I visited Turkey in 1948 with the gentleman from Texas [Mr. TEAGUE], we were assigned as liaison officer from the army of Turkey, a general staff major. He made a remark which I have always remembered and which I shall always associate with the spirit of a people who are ready and willing to resist aggression, and who do not seek this cloak of so-called neutrality. The major said, "We want and need United States assistance, but whether or not we receive it, we shall fight to the last man for the freedom of the Turkish people."

That is the kind of talk we need from those whom we support. I said on yesterday that I cannot accord with the idea that there is any such thing in the world today as neutrality in a conflict which is basically between human freedom and human slavery.

Mr. Nehru is about as deserving of United States assistance at this time as is Mr. Bulganin or Mr. Khrushchev. His actions are in no marked degree different from theirs in international affairs, so far as I am concerned. I am very happy that the gentleman from

Michigan has had the courage to bring this matter to the floor so that we can face up to it.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Michigan.

Mr. BENTLEY. Is not the gentleman from California of the opinion that if we continue to pour out these billions of dollars to our so-called neutral friends, like Tito and Nehru, it is really a slap in the face to those few genuine allies we have such as Turkey?

Mr. JACKSON. Not only that, but we are encouraging throughout the world a spirit of neutralism. If you can get your aid and your benefits without giving friendship or anything in return, why risk the danger of possible hostilities or of incurring the displeasure of the Soviet?

The gentleman from Wisconsin has said among other things that, India's monkeys are important. It is true that the monkeys are important, but there will be no shortage of them if we keep on this course of action, because they are making monkeys out of millions of Americans every day. We will have an ample supply of monkey kidneys, and that may well be in the final analysis all that is left to us.

When some element of rhyme or reason is going to enter into this matter of foreign aid to those who are opposed to us I do not know, but I sincerely hope the time will come when we will face up to the matter of so-called neutrality and call diffidence, timidity, and fence straddling by their proper names.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from California.

Mr. HOSMER. If it makes no difference with respect to the monkeys, then we must evaluate the \$60 million proposed in aid as against 381 million people over there. Probably that amount is not going to make or break their economy. But at the same time when you load this expense together with all our other domestic and foreign expenditures on our people here at home, who are not exactly living the life of Riley with respect to Government expenses, it adds up. The idea of foreign aid as I see it is to bring something of value to Americans by way of a more peaceful world and greater protection against aggressive Communist imperialism. It seems to me if the expenditure fails to bring these people back to true neutralism, let alone into our free world orbit and help us do that job which the free world has to do, then we are not justified in spending American's money on them. That is the point I believe the gentleman is making, and I congratulate him on what he has said. From what has so far been said respecting India's position and attitudes I fail to see that the burden of proof has been carried that foreign aid expenditures in India help peace or help protect the United States, therefore I must conclude that we are not justified in making them.

Mr. JACKSON. I thank the gentleman.



I think the one point which is apt to escape the attention of a great many people throughout the world today is the fact that there are hundreds of millions of human beings who are under the heel of the Communist state. These captives are looking to the United States, and to the United States Congress to say to their captors and to those who treat with their captors that we will have no part of it, that we intend to stand by the moral commitments we have made to implement the great things we have said about self-determination and our national and oft-expressed determination to see them freed. Every time we take a step in treating with these neutrals, those whose neutrality is, to say the least, hostile to us, we are saying to those enslaved millions that the fine sounding phrases are expedients and that what we really want to do is to be all things to all men at all times.

What we need is some consistency. What we need to say to these people who are enslaved and who look to us as the only hope for their freedom is that we intend to stand by them and that we do not intend to treat with their enemies, actual or potential.

With the gentleman from Michigan, I assume this amendment will be defeated but I hope that it will continue to be brought to the attention of the Congress and to the attention of this House on every possible occasion in the future. I shall support the amendment, and I welcome the opportunity to do so.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. The gentleman mentioned the millions of enslaved people back of the Iron Curtain. Is the gentleman in favor of doing nothing to prevent an additional 380 million people being driven back of the Iron Curtain?

Mr. JACKSON. If they were being driven I would do anything to keep them from being driven. I would also do anything to keep them from being led behind the Iron Curtain by their own leaders.

Mr. ZABLOCKI. Is it not better to have a neutral India than a Communist India?

Mr. JACKSON. If \$60 million is the price Mr. Nehru places upon India's freedom, I say it is not worth it.

Mr. ZABLOCKI. It is not that \$60 million is the price, but the discontinuance of needed development aid from the United States could force India to seek assistance from the Communist bloc.

Mr. JACKSON. If human freedom to the leaders of India and to the people of India is worth no more than \$60 million, then it is not worthwhile to have freedom in India. Freedom in India, and the determination of the Indian people to remain free is not a matter of money, but of spirit and a fierce love of liberty. If these things were present no dollar price would be too great for us to pay as friends and allies pursuing a common course and a mutual purpose.

I submit Mr. Chairman, that obstruction of the West and of this country is not neutralism but intransigence, coupled with an apparent desire on the part of Mr. Nehru's government to embarrass the efforts of the United States to assist other peoples on the Asian continent.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, a great deal has been made in the debate on the amendment offered by the gentleman from Michigan [Mr. BENTLEY] so far about neutrality. Apparently the proponents of the amendment take the position that a neutral country is about the same as an enemy country. The United States itself has been neutral on occasion. As a matter of fact, the United States itself is very neutral right at this time on the Cyprus issue. I happen to have some pretty strong feelings about it, but I do not know that it would be wise for the Government of the United States to take sides and threaten to go to war over the thing. The United States itself almost looks ludicrous in attempting to be neutral in the Arab-Israel dispute. We do not know whether we are coming or going on that issue. Certainly the Israelis are disturbed by some of the threats of the Arab countries to drive them into the sea. They can get very emotional about that.

I have not noticed any jumping into the breach to take sides in the Dutch-Indonesia dispute, yet would we like the Dutch or the Indonesians to say that because America does not take our side she is our enemy? What about the French-Algerian situation? Does anybody advocate that we ought to take sides there and send troops in there? I do not think so. It seems to me there is hardly any argument at all to be made over the fact that a neutral is preferable to an antagonist.

You also have to remember that Nehru and his people have not been out of bondage very long. He has a difficult situation with tens of millions of illiterate people who can be swayed easily by promises of the Communists, and he is in a position almost of walking on a tightrope. Not only that, but he is coming here on a visit, at the invitation of the President. I am glad the distinguished minority whip [Mr. ARENS] is here, because he has more access to the White House than I do, and I hope the next time he goes down there he will say to the President, "Hays was down there in the well of the House defending you from your political friends." I am in the position of "Lafayette, we are here."

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. BENTLEY. I wonder if the gentleman would agree with Mr. Meany in saying that Nehru endorsed Tito?

Mr. HAYS of Ohio. Let me put it this way, that the gentleman from Ohio agrees with Mr. Meany many times more than his friend from Michigan on most issues. I was a little surprised to find the gentleman from Michigan [Mr.

BENTLEY] quoting Mr. Meany on this particular issue. If I am going to listen to Mr. Meany, I would be more inclined to listen to him on a matter in which he is an expert, namely, labor questions. I do not want to turn the question around and I do not want to embarrass the gentleman from Michigan, but I wonder if he would listen to Mr. Meany on the subject on which he is an expert, namely, the Taft-Hartley law.

Mr. BENTLEY. Are you saying that Mr. Meany should not speak on this subject?

Mr. HAYS of Ohio. No. I think he has a perfect right to speak, and I am sure he has valid reasons for the pronouncement he made, and I know he is sincere. It just happens that in this instance I do not agree with him. That is about all there is to that. But I do think it is important that we just do not go around kicking people because they do not happen to agree every minute with what we do. I have tried to point out here that we are in the same identical position in a dozen different places around the world. It is a precarious time in which we are living. Everybody cannot do everything he wants to do. I like the gentleman from Michigan but I do not want to see his football team beat mine, but that does not mean that I am a bum just because we disagree about that. I think we have to consider about this. We have got a great backlog of potential friendship in India. I do not think you can count India in 30 seconds, 7 years, or any other amount of time; but we can count on the work that has been done by literally thousands of Americans who have gone to India as doctors and missionaries over the years and who have built up friendship in the towns and villages and tried to do something for us. I do not think that is going to be destroyed.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I agree with the gentleman on his statement, but I wish the gentleman would comment on a matter where India is not neutral and that is on communism. Nehru has consistently thrown Communists in jail and has said that he is just simply against breaches of the peace. There is no doubt that the government of India at home has constantly and strictly repressed communism with jail sentences, more so than we in America.

Mr. HAYS of Ohio. The gentleman is exactly right and it would be nice if we could convert everyone in the world to exactly our way of thinking on all problems, but we cannot do that or cannot even get unanimity of opinion in this House, let alone doing it on an international scale.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is monkeying with my baby, with this de-



velopment assistance provision, title II which I first suggested in committee and which was then polished up and improved by the committee. This title II is where our committee has done a very substantial amount of reappraising of our policy about undeveloped countries that do not participate in military programs with us from now on.

Under title II as it is written none of the new money can go for grant aid to any particular country; all of it has got to be either loans or sales of agricultural surpluses under section 402 of this bill. None of it can go to a country that has not signed a written agreement as set forth in paragraph (c) satisfactory to the President to permit participation by private enterprise in the accomplishment of any of the purposes of this act.

As to India the program brought to us was for \$70 million. There was \$343 million in various sections of the draft bill for development assistance, which means substantial economic aid for countries with which we do not have military agreements. We put that all in one section; we did not attempt to designate which area should get it or which country should get it, but we provided that only 25 percent of it could go to any one country.

Then we cut the total \$100 million, leaving only \$243 million. Part of this cut, of course, is going to apply to the India aid program for \$70 million, and under the present bill it could get not more than \$60,750,000. The India program of \$70 million was \$30 million for agricultural products and \$40 million for industrial products. Therefore, India could get agricultural surpluses and loans in the same proportion. To me when we use agricultural surpluses in this program it is a wonderful advertisement of the great wealth and bounty of the United States.

Then the other part, the \$40 million industrial part, would be on a loan basis.

So a new look is put on this whole program by this development, section title II of this bill.

You say "India is Socialist." Whether India is Socialist or any other participating country is Socialist, they must at least agree to give private enterprise a chance to participate under the guaranty program, and so forth, before they get in on this development assistance.

And now, to talk about this new look to our world problems caused by the Soviet's imitating us in launching a program of economic aid and technical assistance, to say that we are going to cut off India when we have got this new mechanism that I have just described, would be to me very foolish. Remember that India is the second greatest country in population in the world. It is the biggest country in population in the free world. When you divide up the possible \$61 million that could go to India on a per capita basis, our assistance to India is probably the smallest per capita of any country in this whole program. I hope we defeat this amendment and proceed to administer this program under the new-development system.

Mr. Chairman, may I say in conclusion that my wife was born in India of

Methodist missionary parents. My interest in India goes away back. I thoroughly agree that the good done by our missionaries in India has done more to keep the Indians friendly with us than many of these other programs. But certainly we ought to continue these programs. All of the missionary people in India want us to continue to aid India and not cut them off as proposed by the pending amendment.

Mr. ADAIR. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan. Everyone in this House will agree that traditionally there has been friendship between the peoples of the United States and India. We would have that continue, we hope it does continue and we believe it will continue; but that does not mean that we must agree with the things which the leaders of India do and the things which they say they propose to do.

As the gentleman from Ohio [Mr. VORVRS] has just pointed out, in the bill before us there have been included certain restrictions which are beneficial to our program with respect to India. He has pointed those out to the House and it is not my purpose here to repeat them. But we ought to point out what many people believe to be a great danger in the world, perhaps one of the greatest dangers, and that is the spread of so-called neutralism.

A distinction must be drawn between neutralism, and that policy which is called neutralism but, which is not, in fact, neutral. If a nation says it is neutral and is truly so, that is one thing. If it says it is neutral, but in all of the things it does, in all of the acts it takes as a nation, it has a bias in one direction, then, certainly, that is not true neutrality. That is neutralism. That is the kind of neutralism we find in India today. Mr. Chairman, the danger of that neutralism is manifest throughout the world today as leaders of nation after nation follow the example of the leaders of India. They say in effect: "We can say we are neutral and we can get benefits from the United States and at the same time we can receive benefits from the Soviet Union. Why should we not receive benefits from both the United States and the Soviet bloc?"

That is not true neutrality, and it points up the danger of the policy which India is now following. That danger is that India will lead other nations down this path of so-called neutralism, which is not neutrality. It has been said here today that the Government of India appreciates the aid which the United States has given her. If any of you have been in India recently, as some of us have, and have read the editorials and the news stories in the Indian papers, as we have, and have observed the preparations made for the reception of Mr. Khrushchev and Mr. Bulganin, there would certainly be no doubt in your mind as to the attitude of the leaders of India.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Illinois.

Mrs. CHURCH. I am sorry to interrupt the gentleman. He is making an excellent exposition of true neutrality as opposed to neutralism, which is a menace to the free world today. I wonder if the gentleman has seen the statement made in Bombay, India, on June 1, reported by Reuters, by Mr. Nehru.

Premier Nehru said today many countries were "heading toward a fall" because they were too dependent on foreign aid. "Dependence on foreign aid is a disease in every underdeveloped country. Let us concentrate on eradicating this disease by depending on ourselves and building through our own initiative."

I have sometimes felt that India was going through what the gentleman from Minnesota [Mr. JUDD], calls adolescent rebellion. I am inclined to feel that if we were firm toward countries in that stage and which are disposed toward neutralism, we might get, if not true neutrality, at least a better understanding of the things we stand for.

Mr. ADAIR. I thank the gentleman and I certainly agree with her.

Mr. JUDD. Mr. Chairman, will the gentleman yield for a technical observation?

Mr. ADAIR. I yield to the gentleman from Minnesota.

Mr. JUDD. A thing that doctors generally praise is called adolescent revolt. But, we do not like to have it go on to the point of adolescent rebellion. India is in the process of an understandable adolescent revolt against western colonialism. That revolt is a healthy thing. If we do not help her and she gets to the point of adolescent rebellion against the free world, that would indeed be dangerous.

Mrs. CHURCH. I am very glad to have the technical correction. But, when I was dealing with my own adolescents with some firmness, I did not distinguish between revolt and rebellion. It pays to be firm if you have a faith and a philosophy; and I believe we should encourage the countries of the world to stand firm with us on the principles of human freedom, and in support of the free world.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman have any idea when Russia will reach the point of mature insurrection now since we have had adolescent revolution?

Mr. ADAIR. I cannot give the gentleman an answer upon that point. Now another thing, when the study mission which was headed by the gentleman from Wisconsin visited India last year discussions were had about the matter of financial aid to that country. The study mission, I think, was startled and surprised thereafter when we got into Burma to find the Government of India, representatives of which had just been speaking to us about financial aid, had only a short time before that concluded a loan to the Government of Burma. That loan was in rupees and was roughly the equivalent of \$42 million American dollars, convertible, we were told, into sterling.



The question before the House is simply this: How can we ask American taxpayers to dig into their pockets and to provide aid, even if it is hedged around with safeguards of the kind the gentleman from Ohio has so well pointed out—how can we ask them to do that for a government which on its own part, and I think without the knowledge of our Government, certainly without information to this Congress, made a loan to a neighboring country? I say we simply cannot defend that attitude. We cannot go to our people at home, the taxpayers of this country, and say: "Yes, let us make aid available for India so that she in turn can make loans available to other countries throughout the world." It is time for us to make a decision as to whether we are going to support those countries which are our friends or whether we are going to spread our aid throughout the world without regard to the attitudes of the nations concerned.

I think we must say: "Let us take a stand with the nations which are our friends and are willing to stand up and be counted." By so doing we will gain stature in the world and move in the direction of the preservation of permanent and honorable peace throughout the world.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER] for 4 minutes.

(Mr. MEADER asked and was given permission to revise and extend his remarks.)

Mr. MEADER. Mr. Chairman, I have consistently supported foreign-aid legislation. I have done so in the belief that in the long-term conflict between our system, our economic and our political system, and the Communist system, we need to assist on a temporary basis those areas in the world that want to be on our side in this ideological contest, to develop their own internal strength and stability so that they can resist military aggression and subversion of international communism.

I think that that attitude toward this legislation is relevant to the amendment before us offered by my colleague from Michigan [Mr. BENTLEY]. And I propose, a few minutes later, in section 6, to make clear the intention of Congress that these aid funds and these tax moneys shall be used to promote the free enterprise system and shall not be used to promote socialism.

Mr. Chairman, you have heard reference to Ambassador Cooper's description of India as a Socialist government. There are all degrees of socialism, such as that of the British Labor Party nationalizing the steel industry other degrees of socialism, nationalizing, perhaps, public utilities, power, communications, railroads, et cetera, all the way down to the extreme of communism where there is no private ownership of property at

all. Where is India in that spectrum of socialism? It is pretty far along toward the last.

I want to call your attention to the fine print on page 327 of the hearings on this bill, which is information supplied by the International Cooperation Administration in response to a request in the committee by Mr. BENTLEY, which lists the legal and other impediments and limitations imposed by the various countries receiving aid moneys upon the investment of private capital in those countries.

I should like you to read this for yourself, because my limited time will not permit me to read it all at this point, but the official declaration of the Government of India, on April 6, 1948, reads in part as follows:

There can be no doubt that the state must play a progressively active role in the development of industries, but ability to achieve the main objectives should determine the immediate extent of state responsibility and the limits to private enterprise \* \* \* The Government of India \* \* \* feel, however, that for some time to come the state could contribute more quickly to the increase of national wealth by expanding the present activities wherever it is already operating and by concentrating on new units of production in other fields, rather than on acquiring and running existing units.

Just what does that mean? It means rather than seizure and nationalization of existing privately owned industrial activities, the Government of India thinks that it might better spend its Government funds in going into new industrial activities rather than taking those now privately owned for the time being. However, this is only because they have a 7-year plan which they want to advance with the clear threat that just as soon as they can do so they propose to take over all private industry.

I believe it is wrong to take money out of my constituents' pockets to promote socialistic programs. I propose to offer an amendment shortly which I hope the committee will consider very carefully and will agree with me that our policy should be made plain to the people administering our aid funds. More complete remarks on this subject appear in the RECORD of Wednesday, June 6, 1956, on page 8733.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I rise in opposition to the Bentley amendment, which would cut out development and technical aid for India. The reason I do it is that India is an important and friendly country. We Americans like the Indian people and consider them among our good friends. India is the second industrial nation of Asia. Japan is the first. We need both of them as friends. Likewise, we should remember India is the 10th industrial nation of this world. India is not a country such as ours where they have wealth and many reserves that are developed. India with 380 million people has an annual gross product or income of only \$22 billion. Under the current 5-year plan they expect to raise that gross national product to \$28 billion. Our funds will help them do it, and reach a higher

level of living for the average Indian family.

We should likewise remember that on the current United States technical development assistance program for India there are no grants. There are grants of agricultural products but there are only loans other than agricultural supplies in this year's program for India.

We should also remember, as has been stated here by the gentleman from Wisconsin [Mr. ZABLOCKI], that we are getting the monkeys from India for use in the Salk vaccine program against infantile paralysis, which we in Pittsburgh are so proud to have had developed there. We in the United States could not have operated the mass vaccination program for United States children without India's cooperation on delivery of these necessary animals.

Likewise, we are getting the rare earths for fissionable material from India. We are getting 70 percent of our mica from India, 66 percent of our kyanite, 65 percent of our shellac, and 35 percent of the manganese for our steel industry. Therefore, we in the United States need the friendship of India. We are good customers and can increase our trade on a mutually profitable basis.

We should also remember that while we disagree with the foreign policy of many of our allies we do not disagree with the domestic policy of India because there, as I have said, she is firm against communism and has imprisoned Communists or anyone who makes a breach of the peace to try to destroy by force the Government of India for any reason.

Nehru himself has said that he has a democratic government and wants a democratic method of life and is against dictatorships. I have met Nehru and believe he is a fine, well-intentioned leader under very difficult present circumstances. I am on the board of governors of the India League of America and am interested in maintaining close ties and friendship with the great people of India. I have been to India and I have followed and know what the progress is.

We people who want to be fair on this program certainly cannot keep giving to Communist Tito and then cut India off. Even though India is now neutral in foreign policy, if we will help the people of India develop and get above the terrible poverty level under which the masses are living, we will have a government and country that will be a showcase of democracy in the Far East. We will have the second largest country in the world standing with us in the United States for democratic principles in which the free countries of the world all believe.

I ask the Congress today to give India a chance. Let her develop. Let her see a friend standing beside her, for this amount of aid in the current program. The Foreign Affairs Committee is guarding closely so that the aid is going for the development and benefit of the whole Indian people. We have this year specifically provided the requirement that United States development funds permit private enterprise to take part in our program.



When we say to India, "Stand with us for democratic principles" even if India joins no military alliances, I think you will find when Nehru comes and talks here with Eisenhower in the early part of July that there is a new course and new opportunity opening for India. We in the House should not take any unfriendly step to cut off our United States aid just before Nehru has a chance to have the planned talks with the President early in July. We American people welcome Nehru's visit to our country to try to work out our mutual difficult problems in a friendly way.

Mr. SMITH of Wisconsin. Mr. Chairman, while we are discussing this amendment which deals with India, I would like to offer something which perhaps is not in the nature of an argument for or against the amendment, but I was intrigued by an article which I read in the *Farm Journal*. It relates to statements of several Indian girls who are here on the exchange program. One of the leading articles in the magazine is entitled "You Hurry So Much":

Thoughtful girls from India tell Polly after living on American farms their views on perhaps what is wrong with us.

I sometimes think that we do hurry too much.

I would like to quote what a Miss Cross said. She is an Indian girl who is about to return home to India, after having had a great experience in America with four other Indian girls in American farm homes.

I quote her:

"Americans always seem to do something about things—even rain."

She said "she thinks we'd be happier if we spent more time enjoying what we have, and accepted some things without change."

She added "that Americans don't seem to know much about the rest of the world. You feel superior, and think the whole world should be like this country. You can't have that attitude if you want to create understanding with the rest of the world."

I sometimes think as I have listened to the debate and considered the mutual-security program in committee whether or not we are not extending ourselves a little too far; whether or not we are attempting to try to make over the rest of the world in our image, and it cannot be done.

Mr. Chairman, I yield back the remainder of my time.

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The gentleman from North Carolina [Mr. RICHARDS] is recognized to close the debate.

Mr. BYRD. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. BYRD. Mr. Chairman, I am in favor of this amendment.

Mr. Chairman, I want to congratulate the gentleman from Michigan [Mr. BENTLEY] on offering this amendment. I expect to support it. In the interest of our own self-respect, it is time to stop handing out the American taxpayers' money to a country whose leader insists

on kicking Uncle Sam in the teeth at every opportunity.

The United States rejoiced with India when she acquired her independence on August 15, 1947, and since then every assistance has been offered her, and any request of India has been received in the spirit of friendly cooperation.

The American Ambassador to India, Mr. John Sherman Cooper, in an address on January 3 at Bombay, stated according to the February 6 issue of the Department of State bulletin, that United States aid to India had totaled \$477,934,000 since 1947. Ambassador Cooper's remarks were made during a ceremony observing the giving of four locomotives to the Government of India by the United States. These four locomotives were part of a total of 100 locomotives being supplied to India through our assistance program. The Ambassador stated that the following day he would participate in a ceremony turning over to India the first of what would number more than 8,700 freight cars. So, the American people have truly shown their friendship and good will for India. But Nehru, on the other hand, has never failed to seize every opportunity to castigate and vilify and criticize our country.

Many reasons have been offered to explain India's attitude toward the West and in particular, toward the United States. Reference is made to India's "dynamic neutralism," not only to avoid the commitments of any alliance but also to reduce world tensions. Another reason advanced is her feeling of deep anti-colonialism which shows itself as a complex against some countries. Then, above all, it is advocated that the country's newly won independence and extreme nationalism, coupled with a desire for India's leadership in Asia, can account for its current attitude. There are other reasons, too, of small and ephemeral importance, such as Nehru's personal ambitions, and even the poor Rhesus monkeys have been disturbed for this purpose.

The fact remains, nonetheless, that India is leaning toward communism, and carefully scrutinized, Nehru's talk of neutrality is anything but substantiated in his actions.

Since India's role in foreign affairs has been through its spoken words, the actions and words of Mr. Nehru should be a cause for real alarm to the free world. Unrecognized today is the Nehru who on October 13, 1949, said:

Where freedom is menaced, or justice threatened, or where aggression takes place, we cannot be and shall not be neutral.

Since then, however, Nehru has had nothing but insult for the United States. In May 1951 the press quoted Mr. Nehru in a statement in which he opined that the west is India's traditional enemy and that the conflict between communism and the west is not India's concern.

Nehru's relations with Communist China can be cited as manifest proof of his indifference or inability to comprehend the moral quality of communism. Nehru, it should be remembered, ruled out resistance in the case of Tibet and only expressed surprise and regret at

the invasion. To his own party he justified his indifference in these words:

Many things happen in the world which we do not like, and which we would wish were rather different, but we do not go like Don Quixote with a lance in hand against everything that we dislike. We put up with these things because we would, without making any difference, merely get into trouble.

We have been hearing about the doctrine of coexistence. That was conceived in December 1953 when India and China began negotiations at Peking on an agreement for trade and travel between India and Tibet. With the signing of the agreement on April 28, 1954, the five principles of coexistence, or the doctrine of the Panch Shila, were announced to the world. For the sake of the record, let us enumerate them:

First. Mutual respect of each country for the other's territorial integrity and sovereignty.

Second. Mutual nonaggression.

Third. Mutual noninterference in each other's internal affairs.

Fourth. Equality and mutual benefit.

Fifth. Peaceful coexistence.

Does anyone in this great body believe that either Red China or the U. S. S. R. is convinced of the virtue of nonviolence—two powers that have practiced "liquidation" to a point without parallel in the annals of world history? Has either of these powers given notice of its withdrawal from the military alliances to which each belongs? Is either disarming? Yes, if one might be impressed with legerdemain, but in reality they are stepping up their armaments. They have never ceased to prepare for war. The irony of the situation is patent in the fact that the U. S. S. R. let off an experimental hydrogen bomb at the same time that its spokesmen were praising the Panch Shila and India's splendid lack of provocative alliances and armaments.

The situation might well be summed up for us by Shakespeare in the following quotation from *The Merchant of Venice*:

So may the outward shows be least themselves:

The world is still deceiv'd with ornament.  
In law, what plea so tainted and corrupt  
But being season'd with a gracious voice,  
Obscures the show of evil? In religion,  
What damned error, but some sober brow  
Will bless it and approve it with a text,  
Hiding the grossness with fair ornament?

\* \* \* Ornament is but the guiled shore  
To a most dangerous sea; the beauteous scarf  
Veiling an Indian beauty; in a word,  
The seeming truth which cunning times put  
on  
To entrap the wisest.

The refusal or incapacity of Nehru to fact the facts of present world affairs is manifested continually in his statements. In referring to the world situation he has said:

At present there are two major forces in the world—the fear of the United States of America and a number of western powers of communism and the Communist countries which they think are expansionist and aiming at world domination, and the other the fear of the Communist countries of being



encircled and crushed by the expansionist tendencies of other countries. They point to the large number of bases surrounding them from where 'gen bombs can be hurled at them. Whatever the truth may be in these fears.

The indifference so plain in those last eight words calls to mind the hindsight of Louis XVI when he said:

I have seen all this coming for the past 10 years. How was it possible that I never wanted to believe it?

Within the past year we have heard the announcements of nonaggression—proclaimed from Moscow on June 22, 1955, and from India on December 13, 1955. Nehru's blindness in these instances is nothing but a flagrant disregard of the facts and the crimes committed by the other side. How can Nehru and his Communist friends talk of nonaggression in the light of Korea and Indochina? When the Communists spoke of noninterference in each other's internal affairs, did Nehru forget the hapless fate of Poland, Hungary, Czechoslovakia, Rumania, Bulgaria? Was Nehru pleading ignorance of the long recognized fact that the Communist Party in India gets its orders direct from Moscow?

If Nehru thinks that the Panch Shila can settle any dispute between communism and democracy, he should recall the words of Lenin that in the last analysis the issue between the two will be determined by the fact that Russia, India, and China represent a "crushing" majority of the population of the world.

Events in the past several years portend that, in the Russian scheme, India represents only an enormous silo of human beings who, along with China, will eventually be hurled against the West, in fulfillment of Lenin's teaching. I for one, have not read that the Russians have repudiated Lenin. For many years Russia has tried to reach the warm waters of the Indian Ocean, as well as those of the Mediterranean. If the Almighty should permit such a day to come, thanks to Nehru's blindness, who would care to rescue India? The Douay Bible contains a most appropriate warning:

Who will pity an enchanter struck by a serpent or any that come near wild beasts? So it is with him that keepeth company with a wicked man, and is involved in his sins. Ecclesiasticus 12: 13.

The Honorable George Meany, one of our great labor leaders, has tersely stated the issue:

No country, no people, no movement can stand aloof and be neutral in this struggle. Nehru and Tito are not neutral. They are aids and allies [of communism] in fact and, in effect, if not in diplomatic verbiage.

Mr. Meany is exactly right. Nehru is not neutral, and I must say that I have heard the word "neutral" used today as a word with many interpretations, and I suppose that, in this way, it covers a multitude of sins. But, the actions of Mr. Nehru do not come within the definition of the word as it is interpreted by Webster's dictionary.

When my subcommittee was in India last fall, Mr. Nehru was preparing for the coming visit of Khrushchev and Bulganin. The streets were being cleaned, the platforms were being constructed,

school children were rehearsing their words of welcome, and the red carpet was really being rolled out for the performance. The invectives hurled at the West by the Russian brigands were printed in the press throughout the world. The Russians really had a field day in India, but did Mr. Nehru express any objections to their vitriolic statements concerning our country? If he did, no one ever heard of it, to my knowledge. I want to refer to a statement from the International Peasant Union concerning Mr. Nehru's words when his captors prepared to depart:

In bidding the Soviet leaders farewell, Nehru declared with a note of emotion in his voice, "An entire generation will remember your visit. Please come back. We will expectantly await you."

Mr. Chairman, Mr. Nehru may find to his sorrow that the visit of the Russians will be remembered by his people beyond the span of an entire generation. We Americans will never forget it, and while I am on the subject, I hope that Khrushchev and Bulganin will never be invited to set foot on the continents of North or South America.

Mr. Chairman, the moment is at hand when we should heed the scriptural passage:

He that is not with me is against me, and he that gathereth not with me scattereth abroad.

India's leaders have been scattering abroad and carrying water on both shoulders too long, and the sooner we stop bowing and scraping to Nehru and Menon the sooner we will regain the respect of the peoples of Pakistan and Ceylon and other countries who have dared to take a positive stand against communism. It will take a little bit of backbone, but the American people have always had plenty of this.

I trust that the Congress will take the first step on the road back by adopting the amendment of the gentleman from Michigan.

(Mr. BYRD asked and was given permission to revise and extend his remarks.)

Mr. RICHARDS. Mr. Chairman, I hope this amendment will not be adopted. I would just like again to call to the attention of the House that it involves only \$60 million to this great country. The amount was cut by \$10 million by the committee.

This provision in the bill is the result of a long line of effort by the distinguished gentleman from Ohio who has been fighting for years for providing assistance in the form of loans instead of grants. This particular \$60 million to India, to that great country, is only for loans or for surplus agricultural commodities.

This is the first time there has been a restriction of this kind in this bill.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 28, noes 62.

So the amendment was rejected.

(Mr. SMITH of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SMITH of Wisconsin. Mr. Chairman, the use of United States tax dollars directly by the Government through grants-in-aid and its administrative agencies are of little value in competition with the Communist world.

It seems to me that it would be far better to enlist private capital, know-how, management techniques, and other economic benefits directly from the successful fields of business in the United States, than to depend exclusively upon Government administered and directly financed agencies in the field of foreign economic development.

I confess, Mr. Chairman, that some of these thoughts are not original with me. A friend who is an industrial consultant and who now lives abroad has written to me at some length on this subject. I believe that this Congress should give serious consideration to his suggestions in this matter of meeting the competition of the Soviet bloc in the good old American spirit of free enterprise.

American individuals and corporations are in a position today to export and invest their capital in underdeveloped areas where the interests of the United States require the marshaling of its economic resources, especially in those areas wherein we are today apparently in open competition with the Soviet and its satellites.

Mr. Chairman, there are precedents of long standing which have proved to be practical in our own domestic economy to justify American investments abroad. I refer specifically to the principle of preferential tax treatment. During the war and in a period of extreme crisis, corporations all over the country were induced to build defense plants and they were allowed depreciation and depletion allowances. The same applies in the field of oil exploration. To stimulate exploration for oil reserves in this country, the prospectors are permitted to take depletion allowances, all of which serve as an inducement for exploration.

I would suggest the following as being applicable to induce American capital that might be invested in underdeveloped areas where we believe we might have an interest:

First. A 3-year tax write-off of capital so invested.

Second. An extension of the 3-year limitation to 5 years on carrying forward of operating losses.

Third. Optional war risk insurance.

It would seem, Mr. Chairman, that these suggested preferential inducements would provide the establishment of a profit motive for American investors, private or corporate. It is a sound law of economics that money will go where it can earn a profit and where it is reasonably safe. It would also permit the development brought about from such invested capital funds to be under the guidance of business policies and know-how carried on by investors, trained personnel and management techniques. This is a field in which government is not proficient. This is the way we have built a strong private econ-



omy in this country with the highest standard of living in the world.

Since extreme nationalism exists in most of the underdeveloped areas in the world today, it is much more acceptable and easier for private capital and industry to take over the economic development than for a foreign government to do so, such as the United States through its governmental agencies.

The preferential tax provisions which I have suggested I believe would eventually result in the gradual replacement of United States Government economic assistance with funds collected from the American taxpayer and provided by the United States Treasury. Here we would substitute private initiative and know-how for the present unwieldy government control. Here, too, we would have a direct investment program with designated administration by private industry and individuals. There certainly would be less political overtones under private management than the efforts being made under the present program directly by Government agencies at a tremendous cost in centralized administration and expense in the field. Then, too, there is a reasonable assumption that the gross tax revenue under this plan accruing to the Government would not, in the long run, be reduced as might at first blush be expected. The fact would seem to be that the investors' ability to pay more taxes would be greatly enhanced and the return from capital gains and earnings of United States investors from development projects would be substantial.

American taxpayers today and many Members of Congress have serious doubt as to the effectiveness of Government promotion in the economic field. There is little doubt that underdeveloped areas of the world should be assisted financially but this should be done on a business basis and not by gifts or grants, all of which are for free. This great country of ours was not built on that basis nor will the underdeveloped areas of the world develop strong economies if they look to other governments to develop their resources for the benefit of their people.

I believe there is an urgent need under existing conditions for a change in our policy, a shift away from government-sponsored projects to an enlistment of the full resources of American private capital and industry. Such a move is positive and constructive and it is bound to support our diplomatic and military efforts abroad, which will be in the best interest of United States' foreign policy.

The Clerk read as follows:

SEC. 5. Title III of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is further amended as follows:

(a) In section 304 (b), which relates to authorization, after "\$146,500,000", insert ", and for the fiscal year 1957 not to exceed \$140,500,000."

(b) In section 306, which relates to multilateral technical cooperation:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance, strike out all following "1956" and substi-

tute ", and \$15,500,000 for the fiscal year 1957, for such contributions;"

(2) In subsection (b), which relates to contributions to the technical cooperation programs of the Organization of American States, strike out all following "1956" and substitute ", and \$1,500,000 for the fiscal year 1957, for such contributions."

(c) In section 307, which relates to advances, grants, and contracts, strike out all following "Congress," in the last sentence thereof and substitute "extend at any time for not more than 3 years."

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Wisconsin: Section 5, page 5, after line 24, add the following new subsection:

"SEC. 309. Study of technical cooperation program: It is the sense of the Congress that there be made, under the direction of the President, an analysis and study of the methods or mechanisms whereby the technical cooperation program can be established on a long-term basis, in view of its basic objectives and purposes, separated from other programs authorized by or pursuant to the Mutual Security Act, as amended, including the preparation of draft proposals for legislation to establish such program under the administration of a new independent agency or Government corporation."

Mr. SMITH of Wisconsin. Mr. Chairman, the technical assistance phase of our foreign-aid program has had a popular appeal for some years. I would support this part of the program if it were possible to have a separate vote on it. The parliamentary situation is such that it will be impossible to have such a vote.

When first inaugurated, technical assistance or point 4, as it was then called, had as its purpose to undertake a broad program of self-help to underdeveloped countries and peoples. It was to provide a know-how to those areas of the world where assistance was requested. The nature of it was to be much like our rural extension services under the land-grant colleges in our own country.

In his message to Congress in June of 1954, President Eisenhower said:

Our country's participation in technical cooperation programs must be vigorously advanced. Certain fundamentals are essential to their success. First, they should provide experts and know-how rather than large amounts of funds or goods, although they should not be allowed to fail due to lack of necessary teaching and demonstration equipment. Second, they should be tightly adjusted to the needs of the host countries. Third, they should be so administered as to reach as many people as possible, helping them raise their own standards of living and solve their own problems.

The late Dr. Henry Bennett, Administrator of this program who gave his life while serving as director of the point 4 program said this about the technical assistance program:

The program we have described to Congress and to the public is a simple, down-to-earth, self-help program designed primarily to assist other peoples in increasing their food production, bettering their health conditions, and improving their educational systems. It is my view that the cost of this program, which shall be effective only if it is pitched on a long-term basis, should be enough to finance a broad, dynamic technical cooperation effort, but not to include the large-scale grants-in-aid. This has been my consistent

position and conviction and I must be faithful to it.

It is my desire that we press forward as rapidly as possible with all of our programs, but without spending money recklessly. It would be far better for everyone concerned if we turned back unneeded money to the taxpayers rather than waste it on unsound projects.

In recent years administrators of this program have moved far beyond the ideas expressed by Presidents Truman and Eisenhower and Dr. Bennett. Large-scale grants-in-aid to finance power dams, highways, canals, and railroads are being considered. This is a far cry, indeed, from simple, down-to-earth self-help programs. Only a few days ago the Director of ICA said they proposed to spend \$20 million for a nuclear research center in the Philippines. They intend to harness the Mekong River to control floods, provide transport and bring power to Laos, Cambodia, and Vietnam. They also plan to build roads between India and Nepal and between Afghanistan and Pakistan. Further, they need to construct piers in India so that India may ship iron ore to Japan. Are these simple self-help programs? How can it be said that these kinds of projects are consistent with the President's statement that any of these programs should provide know-how, rather than large amounts of funds or goods? The simple answer is that they do not.

To what extent has our technical assistance program achieved its goals? There seems to be general agreement that this program should continue as an important phase of our foreign policy. In spite of some real accomplishments its success has been limited. There is considerable room for improvement in matters of administration and planning.

One witness who appeared before our committee was Dr. John H. Reisner, at present a consultant to Agricultural Missions, Inc. This witness had wide experience abroad in the field of agriculture and he also had first-hand knowledge of the operations of the technical assistance programs in South America, the Near East and Asia. Recently he made this pertinent observation about the program:

One of the great weaknesses of the whole technical assistance operation is that we did not take time to learn how we could be most helpful. Moreover, we seem to have thought it necessary to make a crash impact on the country concerned. To succeed in this crash impact, it seemed desirable to put in as many people and as much money as Congress would provide. \* \* \* Granted that needs are varied, great, and pressing, the fundamental problem has always been and still is, how we can help build services and institutions and organizations that will be related to the needs of the people and that can be transferred to the governments as quickly as possible. For example, it does only limited good to spray a whole country once with DDT at our expense, unless the host country can then take over.

In the minds of many people in our own country there is the popular understanding that our technical assistance would be closely related to the needs of the masses of underprivileged people. These masses are largely village people. The only country in Asia where this is



not true is Japan, where we have a relatively small program. On the Asian continent our contribution to village development is spotty, at best. In some countries we have barely scratched the surface of the problem of getting help to the villages.

In one country in Asia it is reported that a high United States official once said that conditions in the villages were so bad that an American could not be expected to live there, hence nothing has been done.

Admittedly the problem is extremely difficult. The important point to remember is that our technical assistance has in no large way in a number of countries been reaching people who need it most. American interest abroad is concerned with people, rather than with governments, as I see it.

A technical assistance program properly administered in accordance with its original concepts can become a valuable asset to our foreign policy. Today it is submerged in a military assistance program, defense support, and development assistance programs. It is the least considered yet the most important in the long run.

Technical cooperation, as I have indicated, is essentially a personalized program. It should provide down-to-earth contacts with people upon which understanding and good will must eventually rest. There can be no basis for a lasting peace unless we build upon this premise.

I would like to suggest, Mr. Chairman, that this is a program for laymen, for devoted men and women, and not for professional diplomats, with all due respect to them. They operate in an entirely different sphere and under entirely different conditions but what we need is a corps of shirtsleeve emissaries who can meet people in the villages and in the rural areas.

Mr. Chairman, qualified people are available if we can organize a sound program. Thousands of fine people are still imbued with the missionary spirit that obviously undergirds the programs, and they are willing to serve their country and mankind.

What is the great need to insure a sound, workable, and efficient program as a vital part of our foreign policy? There is a substantial group of people in this country who feel that it is imperative to give this program independent status, possibly under some form of corporate structure. There is a precedent for this idea in the Institute for Inter-American Affairs created by Congress some years ago. It has been very successful, so I am informed.

Under a corporate structure the technical assistance program could be administered separately from either military assistance, defense support, and development assistance. The huge sums appropriated for these other purposes keep the technical assistance program in jeopardy.

Under a separate entity technical cooperation would be assured on a reasonably long-term basis, dependent upon performance and results. Only a modest sum of money would be required to finance the program.

Personnel policies could be developed to meet the requirements of the program without interference of other programs. This would also apply to administrative and fiscal procedures which should be adopted to requirements in the operating field rather than to standard departmental procedures in Washington.

Mr. Chairman, some such form of reorganization seems imperative. Only such a change, as I see it, will insure the future of the technical assistance program. Money alone will not do it.

Mr. Chairman, the Congress of the United States should tell the people of this country that our effort in the field of technical cooperation is a long one but that it need not be extravagant, wasteful, or expensive. Our modest help will not make other countries over in our image, nor is it our task to do so, but we can bring to people who want our help our very best skills on a friendly cooperative basis.

A most interesting article appeared in the Saturday Evening Post on March 24, written by Mr. Alston Waring. It was a report by an American farmer and his wife who shared the primitive life of Indian villages for 3 years to help introduce them to the 20th century.

Mr. Waring made a pertinent observation indicating that time only will bring a new way of life possibly to teeming millions abroad. In commenting on his own work he said:

For I am sure success in this type of work has chiefly to do with the mind, the way people do things, the confidence they acquire, and ultimately the growth of a certain belief in themselves and their own capacities.

Then further he states:

How will it work out? How will they cross over, these 10th-century men and women, to the threshold of the 20th? I do not think we learned the answer at Barpali, unless it is that these village friends of our will make the transition in their own way and in their own time. We could not hurry them, but we could believe in them and come close to seeing the problem as it appears to their eyes and minds.

Here is a challenge that does not involve arms, guns, nor bombs, but a few million dollars spent over a period of years will make for better understanding and for a better world.

Let us rescue the technical cooperation program from its involvements with military and economic aid. I believe that the establishment of a separate agency will permit it to fulfill its original purpose.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Ohio.

Mr. VORYS. May I say that as far as I am concerned I certainly have no objection to the gentleman's amendment. As a matter of fact I think it is a good amendment to go in the bill. I have not consulted with our chairman, but, as I said, as far as I am concerned I think it is a good amendment.

Mr. SMITH of Wisconsin. I am wondering if the chairman would have any objection.

Mr. RICHARDS. I have looked very carefully at this amendment, and in this connection I want to pay tribute to the

gentleman who has been studying this subject for a long time. I think he has something worked out here that may do good. It certainly will not do any harm. Personally I am not going to oppose it.

Let me say to the House: I want to announce to the House that it is the intention of the leadership to stay here tonight until we finish; otherwise we will have to go over until tomorrow. I figure we can finish this bill in an hour or two. I just want to give notice to the membership that we expect to stay here until we finish.

Mr. SMITH of Wisconsin. I am pleased, Mr. Chairman, that there seems to be no opposition to the amendment, and if there is not, I will not labor the Committee longer.

(Mr. SMITH of Wisconsin asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

The amendment was agreed to.

The Clerk read as follows:

SEC. 6. Title IV of the Mutual Security Act of 1954, as amended, which relates to other programs, is further amended as follows:

(a) Amend section 401, which relates to special fund, as follows:

(1) In the first sentence of subsection (a), strike out "\$50,000,000" and substitute "\$150,000,000"; and in the last sentence of such subsection strike out "\$20,000,000" and substitute "\$30,000,000."

(2) In subsection (b), after "\$100,000,000", insert ", and for the fiscal year 1957 not to exceed \$100,000,000."

(b) In section 402, which relates to earmarking of funds, after "\$300,000,000", insert ", and of the funds so authorized for the fiscal year 1957 not less than \$250,000,000."

(c) In section 403 (b), which relates to special assistance in joint control areas, after "\$21,000,000", insert ", and for the fiscal year 1957 not to exceed \$12,200,000."

(d) Amend section 405, which relates to migrants, refugees, escapees, as follows:

(1) In subsection (c), after "\$1,400,000", insert ", and for the fiscal year 1957 not to exceed \$2,300,000."

(2) In subsection (d), after "\$6,000,000", insert ", and for the fiscal year 1957 not to exceed \$7,000,000."

(e) In section 406 (b), which relates to children's welfare, after "\$14,500,000", insert ", and for the fiscal year 1957 not to exceed \$10,000,000."

(f) In section 407 (b) which relates to Palestine refugees in the Near East, strike out "for the fiscal year 1956."

(g) Amend section 409, which relates to ocean freight charges, as follows:

(1) In subsection (c), after "\$2,000,000" in the last sentence thereof, insert ", and for the fiscal year 1957 not to exceed \$1,400,000."

(2) In subsection (d), after "\$13,000,000" in the first sentence thereof, insert ", and for the fiscal year 1957 not to exceed \$14,000,000."

(h) In section 410, which relates to Control Act expenses, after "\$1,175,000," in the first sentence thereof, insert "and for the fiscal year 1957 not to exceed \$1,175,000."

(i) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), strike out all that follows "\$35,225,000," and insert "and for the fiscal year 1957 not to exceed \$35,250,000, for necessary administrative expenses incident to carrying out the provisions of this



act (other than chapter 1 of title I and section 124)."

(2) Redesignate subsection "(c)" as subsection "(e)", and insert after subsection (b) the following new subsections:

"(c) Not to exceed \$1,500,000 of funds made available under title II may be transferred in the fiscal year 1957 for necessary administrative expenses not otherwise provided for incident to carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance, and the amounts so transferred shall be consolidated with funds made available pursuant to this section for said fiscal year.

"(d) There are authorized to be appropriated to the Department of State such amounts as may be necessary from time to time for administrative expenses which are incurred for normal functions of the Department which relate to functions under this act."

(j) In section 413 (b) (2), after "to encourage and facilitate the flow of private investment to", insert ", and its equitable treatment in."

(k) Amend section 413 (b) (4) as follows:

(1) After "may make", insert ", through the International Cooperation Administration."

(2) Substitute "June 30, 1967" for "June 30, 1957."

(3) In subparagraph (B) (ii), before the semicolon at the end thereof, insert "or by reason of war, revolution, or insurrection."

(4) Amend subparagraph (F) to read as follows:

"(F) the President is authorized to issue guaranties up to a total face value of \$500,000,000 exclusive of informational media guaranties heretofore and hereafter issued pursuant to section 1011 of the act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (b) (3)): *Provided*, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, and funds realized after June 30, 1955, from the sale of currencies or other assets acquired pursuant to subparagraph (C), shall be available for allocation to other guaranties, and the foregoing limitation shall be increased to the extent that such funds become available. Any payments made to discharge liabilities under guaranties issued under this paragraph shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty. *Provided*, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this act, include information on the operation of this paragraph: *Provided further*, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the act of January 27, 1948, as amended (22 U. S. C.

1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2)."

(1) Amend section 415, which relates to assistance to international organization, as follows:

(1) Change "Organization" in the title to "Organizations."

(2) After "the North Atlantic Treaty Organization", insert "and the Organization for European Economic Cooperation."

(m) Repeal section 418, which relates to President's Fund for Asian Economic Development.

(n) Add the following new section:

"SEC. 420. Food and Agriculture Organization: Public Law 174, 79th Congress, as amended by section 1 (b) of Public Law 806, 81st Congress, is hereby further amended by striking out the figure '\$2,000,000' in section 2 thereof and inserting in lieu thereof the figure '\$3,000,000'."

Mr. FEIGHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN: Page 6, after line 20, insert the following:

"(1) In subsection (a), add the following new sentence: 'None of the funds authorized in this act shall be used to assist directly or indirectly the movement from Communist-occupied China of so-called White Russians and other refugees possessing passports issued by the Government of the Union of Soviet Socialist Republics and exit permits issued by the Communist government of China to countries of the free world, or of any other persons not having a security investigation and clearance based on reasonable standards to insure against Communist infiltration of free nations.'"

Mr. FEIGHAN. Mr. Chairman, I feel it is unnecessary for me to say that I have always been an ardent supporter of intelligent programs to assist refugees. Before the end of World War II, I made a trip, with other Members of Congress, to Germany to see first-hand the sad and tragic plight of the refugee victims of the twin tyrannies of communism and nazism and later I supported the very successful program of President Truman for displaced persons, and also more recently the refugee relief program recommended by President Eisenhower.

I have been and shall continue to be interested in all legitimate programs aimed at giving aid and comfort to bona fide victims of aggression or totalitarianism in any form. But by the same criteria I shall oppose all efforts to impose upon Congress false refugee programs and all authorizations for the use of public funds for refugee programs which are in fact using the taxpayers' money to support activities directly and violently opposed to the national security of the United States.

My amendment prohibits the illegal use of United States public funds to pay any of the ocean transportation costs for residents of Red China including so-called White Russians, who leave Red China in possession of valid passports

issued by the Communist regime of Moscow and have in their possession exit permits granted by the Communist occupiers of China to countries of the free world without having any security investigation whatever.

During an inspection trip of the Far East last fall for the House Judiciary Committee I discovered amazing facts about the violation of the law. The majority of these so-called White Russians, as I said, living in Red China, have in their possession valid passports issued by the Soviet Union and are in possession of exit permits issued by the Red Chinese Government. This is all the more amazing when we realize that only the proven friends and allies of communism are ever allowed to hold a valid Russian passport. Moreover, all of these people, leaving Red China, have no trouble getting an exit permit from the Red Chinese, while American civilians, military personnel, and missionaries have been required to wait years for such an exit permit or it has been denied outright to them.

The important thing is that no security investigation is made on any of these people before they are allowed to enter the free world despite the fact that the law under which we have appropriated the funds which are now being used requires that such an investigation be made.

I have in my hand an official report of the International Cooperation Administration which states that no on-the-spot investigation of these so-called White Russians is made because no security investigation is possible on the mainland of China.

This obvious breach in the free world security is climaxed by the fact that at least one of these so-called White Russians has been uncovered in one of our sister Republics of Latin America as a top Russian espionage agent. This Russian espionage agent came out of Red China and was moved to Latin America with no security investigation being made. Then it was discovered that he was a former Kremlin security agent in the Red Polish Embassy in Peiping. That Latin-American republic has since cut off further admission of any of these so-called White Russians for very obvious reasons.

I want to make this very clear: My amendment would not cut off aid to legitimate refugees. It would make more funds available in fact for bona fide refugees by denying aid to bogus refugees.

Another important factor is that my amendment does not prohibit other countries who may be foolish enough to open their doors to Russian espionage agents, from paying the costs for moving these people from Red China to their country. It only prevents the misuse of American taxpayers' money for that purpose.

This amendment would not in any way affect the successful conclusion of the refugee relief program because none of these so-called White Russians can qualify under that program because of the obvious requirement that a full-scale security investigation be made on all



applicants for admission into the United States.

I feel that this is a very meritorious amendment. It will at least, as far as the United States is concerned, stop the misuse of American taxpayers' funds in what I consider to be a very serious breach of the free world security.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I do not question the sincerity of the gentleman. I am sure everyone in the House knows how deeply interested he is that Communists do not migrate to very sensitive areas of the world or migrate to our country. I wonder if the gentleman is aware of the statement that was presented to our committee by the Honorable FRANCIS E. WALTER on the movement of European refugees from Communist China through Hong Kong under the auspices of the Intergovernmental Committee for European Migration. On page 962 Mr. WALTER states:

It is in the humanitarian and political interest of the United States that the effort to rescue these refugees should continue.

Further he states:

To do otherwise would not only sacrifice the lives of thousands of staunch enemies of communism, but would contribute substantially to current Soviet objectives.

He has also stated that there were no known Communists who have returned to Communist China and that no known Communists have been found who have migrated to any other country.

Mr. FEIGHAN. Mr. WALTER's complete statement is absolutely in contradiction of the facts. If the gentleman heard what I said, he would know there was at least one Soviet espionage agent who went to Brazil, and he was kicked out of Brazil because it was later found out that even though he was purportedly traveling as a so-called White Russian he had been the Communist security officer in the Red Polish Embassy in Peking, China.

There is printed in the hearings of the Foreign Affairs Committee my report on the situation as I found it after thorough investigation, checking and rechecking throughout all of the area of southeast and north Africa. I know there is not one single security agency of the United States Government that gives a security clearance on any of the so-called White Russians or any other persons coming from Red China who travel in possession of a valid Soviet Union passport and in possession of an exit permit granted by the Red Chinese.

Mr. ZABLOCKI. As one member of the committee I was thoroughly satisfied with the statement of the gentleman from Pennsylvania [Mr. WALTER] that there is a sufficient security check. Some of us on the committee have had an opportunity to witness some of the processing of refugees. I was personally satisfied that we need not worry about it. I think it would be a mistake if we adopted the gentleman's amendment.

Mr. FEIGHAN. I watched the processing of refugees, but my point is this,

that the persons against whom I want to prohibit the use of money for ocean transportation are persons who are residing in Red China and upon whom there can be no security investigation. The basic question involved in my amendment is very, very simple, in my opinion. It is whether Congress approves the misuse of the taxpayers' funds to open up and maintain a serious breach in the security of the free world. There is confusion concerning which committee of Congress, if any, has primary responsibility for looking into the operations of refugee programs and reporting thereon to Congress. Because of this confusion I appeared before the House Foreign Affairs Committee to present the evidence which I developed on the misuse of the taxpayers' money on so-called White Russians living in Red China.

I have requested the gentleman from Pennsylvania [Mr. WALTER] to conduct full scale public hearings on the refugee program relating to so-called White Russians residing in Red China. The gentleman from Pennsylvania [Mr. WALTER] promised me that he would conduct a full scale public hearing on this matter in Subcommittee No. 1 of the Committee on the Judiciary of which he is chairman and of which I am a member. I appeared before the Foreign Affairs Committee to present the report of my investigation on this scandalous situation. I am very grateful to the chairman and members of the Foreign Affairs Committee who have responded to my request to print the complete report of my inspection which appears in the hearings on page 933 after my testimony which began on page 925. I am firmly confident that the accuracy of my report will be borne out in the future and therefore I am grateful that it is now in the official records of Congress. I am still hopeful that the subcommittee will schedule full scale public hearings on this matter so that some extremely important additional evidence which has subsequently come to my attention may be made known to the American people and so that a number of witnesses may be questioned under oath. One of the witnesses I hope to have appear lives in the Far East, proudly carries an American citation, and can give eyewitness testimony to the wide variety of activities engaged in by the so-called White Russians in Red China to demonstrate their loyalty to the Kremlin and to enhance the cause of Sovietization of the world.

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. FINO. Mr. Chairman, I ask unanimous consent to extend my remarks at the end of the debate on this amendment.

The CHAIRMAN. Is there objection? There was no objection.

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. DONOHUE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DONOHUE. Mr. Chairman, the substantial question in this legislation before us today is simply this. Shall we, in conscientious regard of the welfare of the American taxpayer, accept and approve the reductions recommended in this bill, as well as some further cuts that will be offered by amendment, pending a reevaluation of the whole United States foreign-aid program. After carefully examining all of the pertinent evidence, I believe that our answer should be a very sober but resounding "Yes."

Preliminary to our continuing action, it might be well to reflect upon the fact that well over a hundred billion dollars of our people's money in principal and interest has been spent on foreign aid since 1940.

It is true that in the beginning of this program to rehabilitate war shattered and torn countries abroad, the American people were willing to reasonably share of their own wealth and resources in Christian generosity and practical wisdom. However, the time has come for the American taxpayer to sensibly ask if the astronomical sums we have been granting to many of these countries is still actually needed. From authoritative statistics here, it is obvious that some of these nations have long reached a point of economic productivity beyond their capacity previous to the war; and therefore, substantial reductions, if not total elimination, are in order. Let us be patriotically mindful that this blessed Nation and its generous people are not possessed of inexhaustible resources, and let us remember our primary duty is to them.

Few, if any, will quarrel with the original basic objectives of this mutual security foreign aid program: to prevent Americans from again having to fight and die on foreign battlefields, to help rehabilitate friendly allies and undeveloped countries, and to secure the safety of ourselves and the free world from any Communist threat. The fundamental purposes of this legislation were and remain Christian to our character and practical to our own self-interest.

In consistent pursuit of such sensible self-interest, the problem confronts us of continuing the laudable aims of our foreign aid and foreign policy in reasonable appropriation retrenchment in accord with what the already overburdened American taxpayer can afford. Mind you, this current authorization is proposed pending the resurvey of the whole program and its policy.

Mr. Chairman, in examining the evidence warranting approval of the reductions proposed in this bill, the first and most impressive fact to remember is that enough money is already and now available to carry on our foreign assistance for at least the next 2½ years. In other words, we are here contemplating the authorization of funds to be expended 2 or 3 years ahead.

The second and most unhappy evidence to influence our action is the sad fact that our foreign aid policy has not been succeeding because of failure of readjustment to the changing conditions in the



world. On that score, we need only mention the present activity of Marshal Tito, whom we have so generously supported, and who now appears to be turning back into the Russian fold from whence he came. I do hope that this body will approve the amendment that will eliminate any further aid to him. It was because of suspicion of such developments as the change of Marshal Tito and dangerous signs of progressive unenthusiasm for American military policy that upon the last two occasions when this legislation was before us, I urged both the administration, whose prime duty of explanation it is, and the Congress to initiate a reexamination, restudy, and reappraisal. I earnestly wish that such had been done, and we would be in a better position to more wisely act today on this complex problem.

The symptoms then beginning are now unfortunately in full bloom. Let us wisely remind ourselves here that NATO is now distressingly far from our original hopes, the major portion of the French infantry is engaged in North Africa, Germany has not yet passed the legislation to recruit the forces we planned to equip, the British are talking about drastic restriction or even elimination of conscription, and Italy is manifesting less interest in military assistance and more in economic aid. All these disturbing facts would seem to make it imperative to prudent wisdom that we reasonably retrench vast authorizations for the uncertain future while a critical reevaluation of our foreign aid program is undertaken.

While such is being conducted, we are still generously carrying out our Christian objectives of contributing to the Children's Fund and giving reasonable aid for development assistance and technical cooperation under the point 4 type of operation. This type of help is undoubtedly the best answer that we can give to any Communist approach to these people and I am certainly in favor of that authorization. It may well prove to be the most strategic field in which to make even greater authorizations in our own interest after the resurvey has been completed.

Mr. Chairman, the further and perhaps most convincing evidence to justify reduction while resurveying comes from no less an authority than the Comptroller General of the United States himself, who stated before the congressional committee that overoptimistic foreign aid planning has resulted in appropriation of more money than could be spent. In some instances, more assistance was given to certain countries than they could administratively handle.

In summary, Mr. Chairman, let us re-emphasize that there are appropriations outstanding sufficient to carry on our foreign-aid program for 3 years. There is overwhelming evidence from the highest authorities that the program has been overexpanded by overoptimistic and unrealistic planning. There is, unfortunately, overwhelming, startling evidence that changes in attitudes and reactions are taking place in too many countries all over the world which we have unhappily failed to properly appraise. There is nothing in this measure before

us that will in any way disrupt the continuation of a reasonable mutual security program. Nations that have been and still are friendly to us are being adequately assisted. Those strategic areas where some of our own boys are in danger, such as Korea, are being well equipped militarily. The most desirable point 4 operation is going and will go on. The substantial objectives of our whole foreign-aid program are not being denied.

We have the Christian duty of giving reasonable help to peoples less fortunate than ourselves, and we are bound in our own self-interest to give assistance to friendly nations for military defense against Communist aggression if it should come.

We also have the further duty and obligation to the American people to take the greatest care of their money and exercise the highest vigilance over the manner in which it is spent. In all appropriations actions, the already-overburdened American taxpayer and our own economic stability should come first. We can meet our two obligations of reasonably protecting the American taxpayer and providing security from the Communist threat by adopting this measure containing sensible reductions in foreign aid while the whole program is being reevaluated. Let us remember that the Congress can always act promptly in any sudden emergency. I urge your approval of this bill without further delay.

(Mr. PHILBIN (at the request of Mr. DONOHUE) was given permission to extend his remarks at this point.)

Mr. PHILBIN. Mr. Chairman, the principal objective of this bill, like that of its legislative predecessors, is to check Communist growth and power throughout the world. Like previous bills, it seeks to strengthen the free world, so-called, so that the nations comprising it will be able to stand up against the various forms of penetration practiced by the world-conquest conspiracy of the Soviet—military, economic, and ideological.

In the first place, I do not believe that the spending of billions of dollars in foreign nations standing by itself has been of any measurable benefit in checking the progress of the world Communist movement. Even the most cursory and superficial glance at the recent growth, increased strength, and expansion of communism and Communist influence and control in the world will prove beyond doubt, in my opinion, that, despite this huge spending program which has continued now for many years at an overall cost to the American taxpayer of more than \$60 billion, communism has grown, it has spread, it has expanded, and it is stronger and more menacing than ever in the world. It would be complete blindness to reality as well as national folly to deny that fact.

Some say that the emphasis of the Soviet has shifted from military to economic measures in pursuing its openly announced and scrupulously practiced aim of world domination. That view is not in accord with current happenings and current events in the world. The

Soviet is feverishly increasing its military strength. It is frantically implementing atomic-hydrogen techniques, guided missiles and rockets, and other modern weapons.

At the same time it is utilizing every possible available economic weapon of its limited capacity.

It is stepping up its political propaganda, its internal operations in other nations, principally the racial nations liberated by colonialism. Russia is making great headway among these oppressed peoples and in these nations.

It has acquired strong, willing allies and they are not all behind the Iron Curtain. This bill asks us to finance some of them, to help some nations and some dictators who are against us, who are doing everything they can to hurt us, who are with the Communists and the Soviets in this world struggle to preserve human liberty.

Tito is only one who is getting our substantial aid and then lining up on the Communist side. There are others, some more obvious and some devious, deceitful and slick, but definitely aligned with the Soviet and its major aims and objectives. Let us not be naive about these matters.

Have we not learned by now that we cannot win the friendship of nations by giving them money? Is it not clear that many of these nations have opposed us in world councils in spite of our great aid and assistance? Are some of them not opposing us this very moment?

Have we not learned that no matter how much aid we give to a nation, it cannot and will not defend itself against communism, externally or internally, unless it has the will, the purpose, the desire and the determination to do so.

Let us have no illusions about communism, its remarkable growth, its power and its allies, willing and unwilling.

If we had spent the huge funds we have put into this program since the start to build our own strength, the defenses and the economy of this Nation, our greatest military assets, would be greatly the stronger and the more powerful for it.

I believe that this program should be completely reevaluated. I am anxious to assist those who are suffering from privation and want within the reasonable capacity of this Government. I want to strengthen the free world against communism. I want to make the free world strong. But I have no illusions about this program. It has many very dubious features. For that reason, I will reserve my right to vote for a sane, sensible, practical approach to this question which will take into account the American taxpayers and the needs of our own Nation.

Mr. FINO. Mr. Chairman, I believe that we are all agreed on the fact that our foreign policy must be based on the recognition that communism is a serious threat to world freedom and peace, and therefore a threat to our own national security.

As the result of this threat and because of its ever-increasing danger, we have placed a great deal of reliance upon foreign aid. In our determination to counteract these forces we have lost sight of one very important question, that is, Will the continuation of this mutual se-



curity program buy us the best insurance against the Soviet menace? The American taxpayers are entitled to know. Can we say with honesty that we have accomplished our goal? Not if we read the daily press—not if we believe what we hear on radio and television. Something is definitely wrong with our program and only a complete review and reevaluation will reveal our mistakes.

Our foreign-aid program should be so planned as to help and encourage the right nations to meet the Soviet challenge—our economic, military, and technical assistance should be so geared as to promote the best national interests of our country and safeguard our national security. In short, we must be not only realistic and cautious but sensible as well. We cannot allow ourselves to become "giveaway happy" in a desperate and futile race with Soviet Russia, nor can we continue to make fools of ourselves by forcing some of these ungrateful nations to accept our aid and receive condemnation and criticism in return.

The United States Government has handed out over \$51 billion in foreign aid since World War II, almost four-fifths of which have been outright give-aways. I ask you to stop and think for a moment and remember that these billions are the earnings of ordinary American taxpayers. Most of these taxpayers had taken consolation in the thought that the good that aid could accomplish in meeting communism has already been accomplished, and that we should have been tapering off in the past few years. But we now discover that, instead of curtailing our aid program, we are being asked to expand it.

Mr. Chairman, I am opposed to this expanded program. It is my firm belief that our whole concept of foreign aid must at this time be subjected to a radical reexamination and reevaluation. We must make a thorough study of the entire program to determine whether it is efficiently managed and whether it squares with the realities and the requirements of our national interest.

A study of whether or not the aid program is efficiently managed means scrutiny of the administration of these large sums. It has been brought to our attention time and time again that in certain areas there has been serious disorganization, mismanagement, and poor judgment in the application of foreign aid, with the inevitable result of a terrible waste of dollars. The United States cannot afford the luxury of unstable direction in the foreign-aid program.

The entire administrative machinery through which the foreign-aid program is operating must, therefore, be reappraised. After all, the good name of the United States is at stake in every area where our aid program is operating. And now, at a time when the Soviet Union is also entering the foreign-aid field, we cannot afford to blunder with our precious dollars.

Mr. Chairman, the second point—whether the aid program squares with the realities and requirements of our national interests—is more complicated. I have not in the past and do not now oppose all foreign aid. I know that

when certain of our allies were in dire need following the war our timely help saved them from collapsing economically and perhaps falling into the hands of the Communists. But now, in 1956, it would seem sensible for the Congress in considering appropriations for foreign aid to draw a sharp line of distinction between that portion of foreign aid which we know will contribute directly to our national security and that portion which does not.

This year we are asked to put heavy accent on aid for Asia and the Middle East. The Congress must take a hard look at these proposals. I, for one, strongly object to our giving India any further aid at this time.

India claims to be a "neutralist" country, but India's particular brand of neutralism seems to get more and more antiwestern and pro-Soviet. If our aid to India was intended to weld for us a friendship, then it has clearly failed, and very badly.

Since 1950 India has received from us more than half a billion dollars, which is five times more than Russia has even talked about giving her. Our country gets scant credit in newspapers in India; yet the same newspapers praise Russia as India's friend and benefactor. There is certainly no assurance that giving aid to so-called uncommitted countries will win them to our side. As a matter of fact, past experience points in just the opposite direction. When the Russians announced recently that they will sell—not give, but sell—to India a million tons of steel, the Indian press broke out in loud appreciation. When the Soviet Union gets more support by selling than the West does by giving, it is obvious that something is wrong.

India has made no secret of her dislike for our policy in Asia; she has persistently attacked it. Nehru has expressed several times publicly and openly his opposition to the SEATO pact, which is sponsored by the United States. In fact, he opposes practically all United States defense measures designed to keep communism in check anywhere. He calls for Formosa to be turned over to Communist China. His roving Ambassador, V. K. Krishna Menon, has been trying for years to get Red China into the United Nations.

India has denounced our offer for military assistance to Pakistan; Nehru called for mass rioting to show his displeasure. He has also loudly denounced our Government's expression of concern for peaceful settlement of the Kashmir and Goa disputes. On top of that, Nehru has expressed a desire for closer relations with Communist Czechoslovakia.

Nehru tells his people that the United States is upsetting peace in Asia.

How can we trust Nehru in the light of his outspoken pro-Soviet position and praise of the great Lenin? How long are we to allow Nehru to play us for just plain suckers?

Russia has now promised to build India a steel mill. This spectacle of high Soviet officials carrying on an economic discussion in an underdeveloped country is becoming a commonplace occurrence. India has said "yes" to prac-

tically everything Moscow has suggested. As a matter of fact, when he visited Moscow last June, Nehru said that part of his "heart remains in Russia."

I say—if the Indian Government wants to oppose our policies and to accept Soviet aid we should say, "Go right ahead, gentlemen, but you will get no aid from us."

Mr. Chairman, I am also opposed to any further aid to Egypt at this time. There is serious trouble in the Middle East now and our interference can only increase the tension. Since 1951, we have shelled out some \$60 million for economic aid to Egypt alone. We have built highways, railroads, waterways, drinking water systems and other health facilities. Meanwhile, Egypt, out seeking power, has disregarded us and made a deal with the Soviet puppet regime in Czechoslovakia for arms—besides expanding over-all trade with the Communist nations. It is most obvious that Egypt seems determined to make trouble with Israel and it seems to me that we should not add to the tension by continuing to give her further aid. More recently, Egypt has joined India in asking for recognition of Red China—despite our known position in this matter.

The recent report from the General Accounting Office gives us an appraisal of our aid program in Egypt for the period 1952 to 1955. This 73 page document deems this program a failure because of unrealistic planning, conflicting policy decisions, and inordinate delays by our officials who were unprepared to handle it.

Even during that period, we are informed, the Egyptians showed great reluctance in their cooperation. Mind you, this failure covers a period before Egypt's coolness toward the West; before her arms deal with Czechoslovakia; and before her recognition of Red China. Yet, in spite of this disturbing report, which clearly demands a review and reevaluation of our aid program in Egypt, we are asked to continue to pour more American dollars into a reluctant and unfriendly country. When are we going to wake up?

This amendment to cut off aid to Egypt should receive the wholehearted support of the 151 members who signed the manifesto to Dulles urging arms to Israel.

I am sure they do not want to strengthen Egypt, which is a definite menace to Israel.

I also oppose giving aid to Yugoslavia. We have already strengthened the Tito regime, which is a thoroughly Communist government, by giving Yugoslavia aid. Yet Tito continues to have diplomatic relations with both Soviet Russia and Red China and continues to praise Soviet foreign policy while criticizing ours.

The press headlines of this past weekend screaming Tito's hero reception and remarks in Moscow can leave no doubt of where his heart belongs. Tito's promise to the Communists that there would never again be a split or misunderstanding between Yugoslavia and Russia, and that both countries are now inseparable, should convince the most skeptic Mem-



bers of this Congress that we are taking a long walk on a short pier in our desperate efforts to keep Tito on our side.

Our attempt to gain Yugoslavia's friendship was nothing more than a calculated risk, and it seems to have failed. All of Tito's most recent actions have revealed a desire on the part of that government to cement closer ties with the Soviet Union. It is obvious to the whole world that once again Tito has moved toward the Soviet fold. Certainly it is the height of folly for our country to send technical aid and military equipment to a nation which may any day be alined against us.

How blind are we when we cannot see what goes on. Tito has repeatedly served notice on the world that he is still a Communist ruler, and you can bet your bottom dollar that when the chips are down, he won't be on our side. Only last night when told of this move to cut off aid to his country, he shrugged his shoulders, and said, "It's not important." Well, if not important to Tito, it should be less important to us.

Mr. Chairman, it seems to me very strange that in order to receive massive amounts of aid from us, a country must either be neutralist, seriously threatened with communism, or else have a "schismatic" Communist government, like Yugoslavia. What is this, but an invitation for countries to take a neutralist stand or to permit Communist infiltration? Why should a country form an alliance with us if it can get American subsidies by sitting on the fence?

In view of these experiences, both Congress and the American taxpayer should take a long, hard look at these proposals which are now before us for the expansion of foreign aid. Our aid program must now be redesigned to help and encourage the right nations, ones which have shown themselves to be our friends. Why not say clearly that our help will go to those nations which, in the interest of freedom and democracy, are ready to participate in the common defense against tyranny? I am willing to spend part of the taxpayers' money on foreign aid, but the most effective way to create a solid barrier against the fast-spreading Communist encroachments is to help those who we know will stand staunchly by our policies.

Any government has a right to remain neutral in the struggle between East and West; there is, however, no logical reason why American taxpayers should be bled white for their benefit, especially when their leaders misrepresent our aims and show outright preferences for the ideals of our opponents.

Mr. Chairman, I hold that, instead of pouring so much money overseas we should keep it here at home, where we could use it to much greater benefit. The security of America and of the whole free world lies in our own strength and in the deterrent power of our Armed Forces. A reduction in the foreign aid budget will strengthen our economy and increase our opportunity to make the kind of technological progress that is fundamental to our continued strength.

Prolonged emphasis on foreign aid will unbalance our economy—it will force

more and more painful economic adjustment upon us. The people in this country suffer a cruel tax burden. The total tax is now some thirty percent of income. Since the amount that can be collected from high-income groups is limited, no matter how steep the tax progression, the low and middle income groups are forced to shoulder a heavy burden.

There are endless, crying needs in our own country for the unappreciated billions we are dispersing overseas. A progressive lessening of foreign aid may mean that besides lowering taxes, we may be able to reduce the national debt. We may be able to afford such things as greater benefits to our veterans—the men who fought for us against those very things which even now we seem to be supporting in our eagerness to give assistance to every comer.

The Congress must in all sincerity ask itself certain questions: How long can we assume the burden of supplying limitless billions for foreign aid? Should we continue to support those nations which give us no assurance that they can be counted upon to support our democratic ideals against the tyranny of communism? Exactly where does the security of this Nation lie?

Mr. Chairman, I appeal to the Members of this Congress to carefully weigh the merits of my arguments. I cannot impress upon you too strongly my deep-rooted feelings on this subject.

We must bear in mind that our aim in carrying out and in promoting this foreign aid program has been to make friends and win allies, but instead, all we have gotten out of it has been widespread neutralism which in the words of a leading Soviet authority is "nothing more than one of the elements in the preparation for war."

We owe a duty to the American taxpayers and if we are to be sincere in our responsibility to the American people, then we must have the courage to acknowledge a bad mistake and correct it before it is too late.

Mr. MOULDER. Mr. Chairman, there was a time in the history of our country when the American patriots of the Original Thirteen Colonies rebelled against being taxed to maintain the military and economic power of a foreign country. The extent and amount of tax monies then being collected to serve a foreign power is a petty sum in comparison to the colossal total sum of \$141 billion that American taxpayers of the United States have paid to foreign governments since the beginning of World War II, and published estimates of the total amount that American taxpayers have contributed to foreign countries since the end of the last war range all the way from \$51 billion to \$67 billion, and I am reliably informed that more than \$3 billion of this incredibly huge foreign give-away was actually used to reduce the public debts of the receiving foreign nations when at the same time we were increasing our national debt. In other words, our Government borrowed money to pay the debts and operational expenses of foreign governments. The United States thereby increased its own national

debt by \$3 billion so that foreign governments could reduce their national debt by the same amount. This single \$3 billion item is now costing the American taxpayers \$90 million a year in interest charges. Just how much more ridiculous can we afford to be?

Why, if we accept the lowest published amount of our total postwar foreign aid—\$51 billion—then on that basis the American taxpayers must in the future dig up more than \$1,500,000,000 every year just for annual interest alone on the amount that foreign aid handouts have added to our Federal debt during the past 10 years. Back in the days before we quit minding our own business, \$1,500,000,000 was enough to pay all the expenses for all departments of the United States Government for full 2 years.

What have we received in return for the handout of all of these foreign-aid billions? Has the handout program produced good will for the United States and strengthened the defenses of the free world against communism? Is there now any place on earth where affection and respect for the United States is greater and where the prestige of our Government is higher than it was 10 years ago? Where in the free world are those protective bastions against the spread of communism that our multibillion dollar giveaways were supposed to construct?

Right in the face of our continued worldwide generosity, the Kremlin gangsters have quadrupled the population of their slave empire and extended the Iron Curtain to include more than a third of the earth. More than a half-billion dollars worth of our foreign aid went to India. Nevertheless, that country turned the visit of the Soviet dictators, Khrushchev and Bulganin, into a triumphal tour. The most enthusiastic reception of those visiting Communist gangsters was staged in an Indian town built with American money. The weapons we gave to France for her defenses against communism are now being used by the French Government to suppress revolutions for national independence by the native Moslems in France's north African colonies. Because we paid all expenses incurred by France in her futile war to hold French Indochina, France will now ask us to provide additional billions for the suppression of the north Africans.

Meanwhile, France apologizes for the unpardonable act of a French mob that wrecked the United States consulate in Tunis last March 9. Ironically, France offers to pay for the property damages. If these violent foreign outbursts of love and affection for the United States become general throughout the world, still more foreign aid will probably be requested to enable the various governments to reimburse us for incidental destruction of American lives and property.

Just before the last general election in England, we tossed a cool two hundred million to Mr. Eden's government so that Mr. Eden could reduce British taxes and thus win the election. Naturally, there was no suggestion of American self-interest in this item of our give-



away program. The English people already loved us \$10½ billion worth, that being the amount of our postwar aid to Britain before Mr. Eden's tax-cut bonus. Our foreign-aid experts tell us that we must be carefully considerate of the attitudes of these foreign governments; otherwise, these governments may refuse to take our money. Mr. Harold Stassen said as much to the Senate Permanent Investigating Subcommittee.

I want to know why the Eisenhower administration is giving our foreign-aid money to nations which are selling vital strategic war materials to Soviet Russia and to Red China. It has been revealed that, with the official but top-secret consent of the United States Government, our "allies" have been shipping 200 separate items of strategic machines and machine tools to Communist governments for the past 2 years. Of these items, the chairman of the Senate Permanent Investigating Subcommittee listed four types of mills and machines, some of which sell for half a million dollars each. All of these are indispensably necessary to the manufacture of jet engines, guided missiles, aircraft, artillery weapons, and heavy ordnance.

By permitting the newest machine tools to be sent to the Soviet bloc, we allowed them to save from 3 to 5 years in engineering research and development. One prominent Member of Congress has said "that it would be better for the United States to permit shells, guns, or guided missiles to be disassembled and sent direct from the United States to the Soviet Union, because these could be used against us only once. However, machine tools can and will be used to make armaments which may be used against us many times."

Mr. Stassen said that if he gave the list of these strategic materials to the United States Senate, he would be "serving the enemy" and "maligning our allies." Please remember that, in many instances, the foreign factories in which these strategic materials are now made were built with American foreign-aid money. Our own American industries are prevented by law from shipping such materials directly to Communist countries.

On the other hand, we are giving the taxpayers' money to foreigners who use that money to produce the prohibited items and then proceed to sell them to our enemies at a profit. Nevertheless, at his press conference on March 7, President Eisenhower insisted that this procedure is desirable. He said that our allies now have an excess productive capacity; that they must continue to export to the Soviet Communists, unless we are to continue to give economic assistance to Western Europe indefinitely. But with or without this Communist trade, indefinite foreign aid is precisely what the President recommended to Congress last January 16. At that time, he urged that our current foreign-aid spending be doubled for what he called a "long-term" program for building and maintaining the economic strength of the free world.

At that time, the President admitted that our foreign spending department had a backlog of seven billion unspent dollars, but this, he said, would be rapid-

ly reduced. So it looks as if the Communists will continue to get their guided missile machines, and the bankruptcy of the United States to boot.

The bill now pending before us for a vote today proposes to give away an additional \$3,563,475,000, which amounts to more than the total assessed property valuation of the States of Nevada, Arizona, New Mexico, South Dakota, and Utah combined. During the past 10 years, our foreign-aid program has cost more than the totaled assessed property valuation of the States of New York and Pennsylvania combined.

Each and every one of our 48 States and every congressional district in the States has cities and communities in need of additional educational facilities, school buildings, roads, highways, flood-control protection, hospitals, and other public improvements. And every tax-paying American citizen needs and would like to have his or her taxes reduced.

The deficit of this one foreign-aid bill would save enough money to build many school buildings, roads, highways, and hospitals which are so badly needed.

The surest and most powerful protection we can provide against communism is to keep our own national economy strong and build our own military might so powerful that none will dare to challenge us.

I have opposed this foreign-aid program in the past, and I will vote against this bill H. R. 11356, which authorizes the giveaway of an additional \$3,563,475,000 to foreign countries.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. FEIGHAN) there were—ayes 4, noes 37.

Mr. JACKSON. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 61]

Alexander	Dempsey	Kearney
Andersen,	Dowdy	Kelley, Pa.
H. Carl	Eberhart	Kilburn
Ayres	Edmondson	King, Pa.
Bailey	Fallon	Kirwan
Barden	Fernandez	Kluczynski
Barrett	Flynt	Knutson
Bass, Tenn.	Fogarty	Lane
Belcher	Forand	McConnell
Bolton,	Frelinghuysen	McDowell
Bell	Gamble	McIntire
Blatnik	Garmatz	Macdonald
Frances P.	George	Machrowicz
Brooks, Tex.	Gregory	Madden
Burdick	Griffiths	Mason
Bush	Gubser	Miller, Calif.
Canfield	Gwinn	Mollohan
Cannon	Hale	Morgan
Carnahan	Hand	Moulder
Cederberg	Harden	Mumma
Celler	Hays, Ohio	Nelson
Chatham	Healey	O'Hara, Minn.
Chenoweth	Henderson	Patman
Chipperfield	Herlong	Patterson
Christopher	Hill	Polk
Chudoff	Hinshaw	Powell
Clark	Hoffman, Ill.	Preston
Corbett	Hoffman, Mich.	Priest
Coudert	Holifield	Prouty
Curtis, Mo.	Holtzman	Ray
Davidson	James	Reed, N. Y.
Dawson, Ill.	Jones, Mo.	Rivers
Deane	Kean	Rogers, Tex.

Scherer  
Scott  
Selden  
Shelley  
Sieminski  
Sikes  
Smith, Va.  
Springer

Staggers  
Taylor  
Thompson, La.  
Thompson, Tex.  
Thornberry  
Tuck  
Van Zandt  
Walter

Watts  
Wharton  
Wickersham  
Widnall  
Wigglesworth  
Wilson, Calif.  
Wilson, Ind.  
Zelenko

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 11356, and finding itself without a quorum, he had directed the roll to be called, when 299 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Ohio [Mr. FEIGHAN].

The amendment was rejected.

Mr. RAYBURN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier, when fewer Members were present, the gentleman from South Carolina [Mr. RICHARDS], announced that we intended to stay here this afternoon and complete the reading of this bill. If the Members will remain here and keep a quorum present and we have short debate on many of the amendments, which I think should be short, we will be able to close at a reasonable hour.

Mr. MEADER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MEADER: Page 8, after line 17, insert the following:

"(j) Amend section 413 (a), which relates to encouragement of free enterprise and private participation, by inserting '(1)' after '(a)' and by adding the following new paragraph:

"(2) It is further declared to be the policy of the United States to insure that the expenditure of funds under this act will effectively contribute to the achievement of the goals of United States foreign policy, and for that purpose to eliminate or minimize international barriers to investment and trade, to facilitate the creation in foreign countries of a climate favorable to the investment of private capital, to discourage the extension of socialism and nationalized industries by declining to commit United States funds to the support of Government-owned and Government-operated industrial and commercial facilities, and in general to avoid the expenditure of funds in support of erroneous policies and practices of foreign governments which, without our financial support, would eventually have to be corrected or eliminated by the force of circumstances."

(Mr. MEADER asked and was given permission to revise and extend his remarks.)

Mr. MEADER. Mr. Chairman, this amendment is simple; and as the Speaker has said, I do not think it should require extensive debate. I hope it will receive the approval of the leadership of the Foreign Affairs Committee.

I discussed this amendment during general debate at some length and together with an amendment which will follow it appears on page 8733 of Wednesday's RECORD.



This amendment simply means that we tell those administering these programs abroad that they should not promote socialism.

It is just that simple.

It is a declaration of policy.

In my statement on Wednesday I quoted two of the top officials in the State Department, the Deputy Under Secretary of State, Mr. Murphy, and the Assistant Secretary of State for Latin American Affairs, saying that our United States policy is to promote the private enterprise system in those countries we are seeking to help in their economic development to resist more effectively Communist aggression and subversion.

Does it make sense to see dollars taken from the American people to promote socialism in foreign countries when the purpose for which this aid program was conceived was to fight exactly that thing?

I want to read from a letter written by an American who is in India to show just why this amendment is necessary. I read earlier in the debate from the memorandum prepared by the ICA showing that the Indian Government is engaging in industrial and commercial activities and that it is their policy to nationalize industry and that they are discouraging private enterprise. I think it will be of interest to hear this letter, which was written within the last 3 weeks, evidencing that same thing. I will withhold the writer's name lest there be some tendency to take retributive action against him:

As I may have told you the Indian Government has recently been asking questions as to why American concerns do not invest in India. Of course that is a foolish question and the answers are self-evident. However the reaction in the Embassy here has been to request 2 additional assistant commercial attachés plus additional personnel in their economic and commercial sections. At the same time when large American corporations interested in India drop their negotiations in disgust TCM steps into the breach and provides the Indian Government with engineers and technicians so the Indian Government can build a government plant to provide the identical service or commodity. Union Carbon and Carbide have been negotiating for months but now TCM is providing a carbon black specialist to the Indian Government so they can build their own plant. I mentioned synthetic rubber in my last letter. The same for many other companies. Our friend Spang of Gillette blades had a nice business here but TCM brought in a razor blade specialist and now with increased tariff help from the GOI imported blades are being squeezed out. The joke is that you still can't shave with Indian blades.

Two facts may be accepted without question: One, India is determined to socialize or nationalize all industry as soon as possible, and two, there exist more offers of aid from sources other than the United States than India can possibly assimilate or accept. Now why do we use the American taxpayers money to accelerate nationalization of industry in India? The time has passed when they can be converted to private enterprise and all we are buying is a minority interest or liability in a national policy that is ultimately headed for either economic chaos or communism.

I ask my colleagues, Are you going to vote against this amendment and thereby say that you favor using United States

taxpayers' funds to promote socialistic systems and nationalized industry? I do not believe you are.

Mr. RICHARDS. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

Mr. Chairman, except for a rehash of parts of section 413, which is the section on the encouragement of free enterprise and private participation, which you will find on page 66 of the report, except for a rehash of what is already in the bill and in the law, the amendment will do this—it says:

Decline to commit United States funds to the support of government-owned and government-operated industrial and commercial facilities.

That would cut out India, Spain, Korea, most of Latin America; as a matter of fact, it would cut out most of the countries in this bill, many of which are located in spots where for strategic reasons we want to have military or economic aid flow.

It is that simple. It adds nothing to the bill except one provision that with one stroke would cut out most of the aid to a lot of these underdeveloped countries. Of course, there are a number of these underdeveloped countries that have government-owned and government-operated industries and facilities; for instance, ports, railroads, and things like that. There is not yet available the capital formation for private development of such facilities.

In section 413 of the Mutual Security Act we provide for encouragement of private enterprise, and we provide \$400 million that can be used in guaranteeing private enterprise. In the development section I mentioned earlier we say that a country cannot get development assistance any more unless and until it makes a written agreement consistent with the provisions of section 413. This bill, to a larger extent than ever before, stimulates private industry. To come in and pop right into the middle of the bill a provision that is going to knock out aid to most of the governments is an action that I hope the Committee will not take.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Is it not a fact that this amendment would make the extension of economic systems in foreign countries entirely patterned after the United States?

Mr. VORYS. That is right. The gentleman from Wisconsin read a quotation here a few minutes ago from an Indian girl in which she said, "The trouble is you are trying to make over the whole world; you ought to understand some of the other countries." This amendment would not make over the world in our pattern. This would pull our aid out all over the world and allow the Communists to make over the world in their pattern, because they would have it all to themselves.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 8, strike out line 25, and on page 9 strike out lines 1 and 2.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I understand the House has previously passed this language in one fashion or another, but it has failed of approval in the other body. This time I think the provision ought to be stricken in the House.

My amendment strikes out the provision in the bill which would indemnify American investors in foreign countries against losses by reason of war, revolution, and insurrection—not only war and revolution but in event of insurrection, which has a very broad meaning. I do not understand, and I would like someone on the committee, preferably on this side of the aisle, since I have addressed most of my previous questions to the other side of the aisle, to tell me why you want to extend protection of American investments to include war, revolution, and insurrection.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Minnesota.

Mr. JUDD. The basic reason is that these less-developed countries, if they are going to be able to stand, have to get capital and machinery and equipment from somewhere. Now, they either have to get it from private sources or they have to get it out of the pockets of the American taxpayers through these grants or loans. If we can make it attractive and reasonably safe for American investors to put their own money in there, then my taxpayers and yours out in the Midwest do not have to put up their money. And, individuals will not invest their private funds, unless there are certain minimum guaranties. There is already the guaranty that, if they make any profit, it can be converted into American dollars. If there is expropriation of their property, if the government of a country adopts a policy of expropriating private property, the United States will reimburse them for their losses.

Mr. GROSS. All right. I think I have a pretty good idea of the gentleman's views. Under what law do we indemnify anyone in this country for loss of property through war, insurrection, or revolution?

Mr. JUDD. I do not know that there is any such law.

Mr. GROSS. And you cannot buy insurance in this country to protect property or investment against destruction by reason of any of those actions, can you?

Mr. JUDD. The reason is because there is no need for such insurance here. We have had security and stability here and private capital has been willing to invest. But, it is hard to get private capital to invest in somewhat shaky countries if there is not some assurance



that if worst comes to worst they will be helped by the United States Government. It is not a question between no expenditures of public funds in those countries and what we might have to put up if there should be war, revolution, or insurrection; we are putting all the money in now from taxpayers funds and we are taking a chance——

Mr. GROSS. Just do not take quite all of my time.

Mr. JUDD. All right.

Mr. GROSS. The gentleman has stated, and it is to be found in the hearings, that these are fuzzy loans and guaranties. Does he mean that we are indemnifying those who may lose on fuzzy loans and guaranties?

Mr. JUDD. The gentleman is talking about investment guaranties?

Mr. GROSS. That is exactly what you are proposing here.

Mr. JUDD. If a country's condition is good and sound and stable, it can go to a commercial bank and get a loan. If these countries could get such loans, there would not be any reason for the economic provisions of this bill at all.

Mr. GROSS. Now do you say that American investors are going into countries with unstable governments, I assume those are the fuzzy loans and guaranties you talked about in the hearings, and you are going to indemnify them with United States taxpayers' money against war, revolution, insurrection and expropriation in those countries?

Mr. JUDD. If their economies were sufficiently sound that they could get a loan, then there would be no Mutual Security Act. It is only to assist countries whose survival is considered important to our security and which cannot get necessary aid elsewhere.

Mr. GROSS. Just a moment now. So, you are going into the worst possible places and not only guaranteeing these investors against expropriation but against war, revolution, and insurrection.

Mr. JUDD. Yes, because we want to save American money.

Mr. GROSS. You want to what?

Mr. JUDD. Save American money. Investment guaranties are to reduce our expenditures of taxpayers' money in countries on which we are now gambling billions of dollars.

Mr. GROSS. I cannot think of a more socialistic, more ridiculous argument for saving American tax dollars. I think you have gone much too far by guaranteeing against war, revolution and insurrection.

Not so long ago, the president of the New York Stock Exchange, Keith Funston, warned that a proposal being considered by the United Nations, for inclusion in the International Covenant on Human Rights, may endanger billions of dollars of American investments abroad.

The U. N. proposal reads as follows:

The right of peoples to self determination shall include permanent sovereignty over their natural wealth and resources. In no case may a people be deprived of its own means of subsistence on the ground of the rights that may be claimed by other States.

And Mrs. Oswald B. Lord, an alternate delegate to the United Nations, who

gallivants over this country and the world spreading the glories of the U. N. and all its works, is said to be disturbed. She is quoted as saying this implies "endorsement by the" U. N. "General Assembly of the right of expropriation of foreign capital investment without compensation."

How some people can get excited when their finances and those of their friends may become involved. I am opposed to foreign governments grabbing the property of Americans without just compensation, anywhere at any time. But the warnings of Brother Funston and Sister Lord would come with far more force if they were equally concerned with the loss of sovereign rights of American citizens through the United Nations, the Covenant on Human Rights, and the treaties and secret agreements by which American soldiers and their dependents, stationed in foreign countries, can be tried in foreign courts, by foreign judges, and slapped into foreign jails and prisons.

I just want to repeat that I am absolutely opposed to this business of guaranteeing American investors in the most unstable foreign countries, with the most unstable foreign governments, against war, revolution and insurrection. It is enough to guarantee them against expropriation. I cannot think of a more socialistic program than this.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment. This is the fourth time that this provision has been in the bill. It has passed the House each time. A guaranty cannot be issued in a country until the country makes an agreement to protect private enterprise. Thirty countries already have made such agreements.

As my friend from Minnesota [Mr. Judd] has said, we have bet about \$55 billion in these foreign-aid programs that we are not going to have a big war, and when we simply fractionalize that betting and have an American investor pay a fee for underwriting his end of the gamble, we are encouraging private investment. And, as has been said, by doing that, we are bringing aid to countries in their development which otherwise might have to come under Government loans or which in the past has come through grants. So that this is a provision, which, in my judgment, does not increase the total risk of the United States at all and I certainly hope that the amendment will be defeated.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JUDD. Is it not also true that we have had these investment guaranties for a good many years now and have never had to pay out a single cent?

Mr. VORYS. That is right.

Mr. JUDD. The investor pays a fee of 1 percent of his investment. No claims have yet had to be paid. This is the one provision in the mutual-security program that has made us money.

Mr. GROSS. Then why the guaranty?

Mr. JUDD. Because without the guaranty, the investments would not have been made. We have not had to

pay out anything, because there have not been any expropriations. We are giving aid only to countries which need capital but which are not able to get it on their own. Their economies are not strong enough. We would rather have private capital go than public funds. But private capital is willing to go only if it has some guaranty against certain unusual risks which might occur in less stable parts of the world.

Mr. DAWSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman.

Mr. DAWSON of Utah. Is it a fact that the other body has on previous occasions struck out this provision?

Mr. VORYS. Yes.

Mr. DAWSON of Utah. And has the conference agreed to that?

Mr. VORYS. Yes.

Mr. DAWSON of Utah. Then what the gentleman is saying is that it has been out of the bill and it has not apparently done us any damage before.

Mr. VORYS. May I say that the President of the United States has come out for this provision, as has the National Council of Foreign Trade and the International Chamber of Commerce. We hope in the other body they may learn something some day and we will have more success this year.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman.

Mr. RICHARDS. It is a fact that the other body at one time was against guaranties against expropriation. After a long delay they agreed to that.

Mr. VORYS. It took about 3 years to educate them on that.

Mr. RICHARDS. If you are going to help private enterprise against the risks of expropriation you are not taking a much greater risk to offer insurance against war, revolution and insurrection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 28, noes 78.

So the amendment was rejected.

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: Page 11, after line 5, insert the following:

"(1) Amend section 413 by adding at the end thereof the following new subsection:

"(c) The Department of Commerce shall, in full cooperation with private business groups and governmental agencies (including the International Bank for Reconstruction and Development), conduct a thorough study of the legal and other impediments, foreign and local, to private investment abroad, and the methods and means whereby those impediments can be removed or decreased, and shall make recommendations thereon to the Director of the International Cooperation Administration."

(Mr. MEADER asked and was given permission to revise and extend his remarks.)

Mr. MEADER. Mr. Chairman, I was disturbed to hear the gentleman from Ohio on the other amendment which



I offered indicate to the House that the aid program would have been wrecked if my amendment had been adopted. If Members listened carefully to the reading of the amendment, it meant only that United States tax funds should not be committed to the nationalization of industry. It does not tell India, if they want to have a socialistic system, that they cannot have one and get our aid, but it means they are not going to use our money for nationalizing their industry. If they do not have money of their own to build a synthetic rubber plant, which they want to do, they cannot expect the United States taxpayers to put up money for a socialistic enterprise. That is all it is.

If it is true, as the gentleman from Ohio stated, that in Korea and everywhere around the world we are financing the socialistic enterprises of other governments, then I think it is well that the American taxpayer should know that fact. I do not think it is anywhere near as extensive as the gentleman from Ohio indicated.

The amendment I have offered here is completely different. It orders the Commerce Department to conduct a survey of the impediments to private investment overseas. It is almost exactly the same phraseology that was adopted by this House in the Mutual Security Act of 1951 and resulted in a study on which the first part, entitled "Factors Limiting United States Investment Abroad," was reported by the Commerce Department in 1953.

The second part, published in 1954, consisted of the results of interviews with 366 American business firms doing business abroad to find out, first, what their difficulties were, and second, what their suggestions were for an improved climate for their operations. I think those reports have been of tremendous benefit to the increased flow of capital which has occurred since that time. I think we should have more of it.

I think after a period of 5 years it is time to take another good look and to assemble in one place information which will be of us to our officials in case they do want to promote private enterprise system overseas, that is, our embassy officials and our aid officials as well as our information people operating abroad. It will also be of great benefit to American business, so that they will have assembled in one place a brief summary of the conditions which are unfavorable or which are favorable for the investment of their money in overseas operations. It would help American business firms to do this job of economic development, which in my judgment is where this task rightfully belongs.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. JUDD. I am asking for information. In what respect does the gentleman's amendment differ from the one that was introduced by our former colleague, Mr. Javits, and adopted in 1951?

Mr. MEADER. I do not think it differs in any material respect.

Mr. JUDD. It just does over again what was done then?

Mr. MEADER. It is another survey similar to the one ordered 5 or 6 years ago. I think it needs to be done again.

Mr. Chairman, I yield back the balance of my time.

Mr. RICHARDS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

Mr. RICHARDS. Mr. Chairman, I dislike to disagree with the gentleman about this because I know of his deep interest in it. But I am not disposed to put any more study projects in this bill, as far as I am concerned.

As the gentleman said, in 1951 this kind of study was authorized. The Department of Commerce prepared findings on that study. Since then the whole subject has been reviewed intensively within and without the Government. Nothing has occurred since that period to alter the conclusions arrived at. This matter is under continuous study now, and I just do not believe that, with all due respect to the gentleman, the adoption of this amendment will serve any useful purpose.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The amendment was rejected.

The Clerk read as follows:

SEC. 7. The Mutual Security Act of 1954, as amended, is further amended by inserting immediately after the first section thereof and before title I the following new section:

"Sec. 2. Statement of policy: The Congress of the United States, recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States is able to provide compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom."

Mr. BOW. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Bow: On page 12, immediately after line 17, insert the following:

"It is further the sense of the Congress that the rights of our own citizens guaranteed by our Constitution should not be sacrificed while the rights of freedom and self-government are secured to the peoples of other nations and that in order to insure justice, maintain the constitutional rights and privileges for our citizens who are serving with our Armed Forces in other countries and promote the general welfare that the President should forthwith, as provided for by article XVII of the Status of Forces Agreement, signed at London June 19, 1951, address to the North Atlantic Council a request for

revision of article VII of such agreement for the purpose of eliminating or modifying article VII so that the United States may exercise exclusive criminal jurisdiction over American military personnel stationed within the boundaries of parties to the treaty; (2) that the President should take similar action with regard to all other treaties or international agreements to which the United States is a party and which give criminal jurisdiction over our Armed Forces to foreign governments which are parties thereto; (3) that failure of such negotiations to obtain exclusive jurisdiction for the United States should be grounds for the denunciation of or withdrawal from such treaties and international agreements as provided for by article XIX of the Status of Forces Agreement and similar provisions in other agreements."

Mr. RICHARDS. Mr. Chairman, I think this amendment is subject to a point of order and I reserve a point of order against it. I think this is an issue that has got to be met and it might just as well be threshed out here as any place, so I will reserve the point of order rather than make it.

The CHAIRMAN. The gentleman from South Carolina reserves the point of order against the amendment.

Mr. BOW. Mr. Chairman, I thank the distinguished chairman of the committee. I believe the amendment is in order. I have spent 2 very long days waiting for the opportunity to address the House and as I saw Members taking 5, 10, and 15 minutes additional I wondered if I would not find myself in the position I am now where Members want to leave and perhaps our time will be limited.

The 2 days we have spent here listening to this debate is a comparatively short time, especially when compared with that of men serving in foreign jails where they have been serving without the protection of the Constitution of the United States.

The amendment which I offer today does not limit in any manner the use of the funds for mutual security. The amendment which I offer has no mandatory provision in it so far as it affects this bill. The amendment which I offer here is completely within the terms of the Status of Forces Treaty in the NATO agreement. It simply says that the President shall do those things which the treaty says he may do. But it is not mandatory. It simply says that it is the sense of the Congress that these things should be done.

The amendment has been sent to the Members and I trust they understand it. I am not going to take my time in discussing the amendment; I would like to discuss some other matters.

The distinguished gentleman from South Carolina, chairman of the Foreign Affairs Committee, when this subject was before us last year said that if I did not offer the amendment at that time his committee would conduct hearings on House Joint Resolution 309. He kept his word; they conducted hearings, they conducted extensive hearings, but they have done nothing further about it.

In their report on this bill they say we should meet it directly. If they had reported out House Joint Resolution 309 we could have met it directly, but they



did not do it. Now they say they have a committee set up to study it further, a very distinguished committee, I may say; the names are printed; but that committee has met once, just a few days before we started this bill so they could at least say they had met before we got to this bill.

In the report on the mutual security bill the committee has referred to the Status of Forces Agreement. That is where they say we should meet it directly, but they debate it in their report. I want to read one paragraph in that report, found on page 11:

In nearly all of the countries where our troops are stationed a speaker receives hearty applause if he speaks against subservience to the United States and urges his government to follow an independent course. It would be difficult for even our most friendly and sympathetic allies to get legislative approval of a new agreement, giving the United States greater jurisdiction over its forces than the present treaty provides.

Imagine. They get great praise when they say they want to try American men under their foreign laws and deprive them of their constitutional protections.

Now, if we are going to make this a question of applause-meter legislation, I ask my colleagues, Mr. Chairman, to go back to their districts and have meetings in their districts and tell them they are going to support legislation which will bring back constitutional rights to American men, particularly that you are going to support legislation which will follow the decisions of Chief Justice Marshall of the Supreme Court of the United States which says we have that jurisdiction. You make a speech of that kind to your constituents and then get out the applause meter and see whether applause for the protection of American soldiers under the Constitution of the United States does not ring clearer in your ears than the applause in foreign nations where they say they will not give up that jurisdiction.

What do the people of this country think about it? I would just like to refer you to that opinion. I will take the breadth of the Nation and give you some idea of what the American people are thinking about the applause-meter approach to this legislation.

I am very pleased to read an editorial from the great State of Indiana. It appeared in one of the newspapers there. I shall not read it all. It appears in the RECORD of June 6 at page A4505. It is taken from the Palladium Item of Richmond, Ind. This is what they say:

As citizens of the United States they are entitled to the protection our Constitution gives them as free men. This includes a speedy and public trial by jury, with witnesses to confront them.

Article 8 of the Constitution says: "Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted."

Mr. Chairman, this editorial from an Indiana paper goes on to say:

It is our country that pulled some of these foreign peoples from enslaving disaster in two world wars. Today we stand guard over their homes and their families in addition to supporting their bankrupt governments with

billions of dollars poured out in a steady stream since 1948.

Then again it is stated in this editorial:

Respect for the rights of our citizens has reached low ebb when we barter American liberty for temporary use of plots of foreign soil.

That is what they think in the Midwest, in Indiana and in Ohio.

I would like to quote now from the Columbus Dispatch of Columbus, Ohio, in which it is stated:

Another news story that Representative Bow intends to push hard for enactment of an amendment to the foreign-aid bill now before Congress that will repeal the much-criticized Status of Forces Treaty by which American military personnel stationed overseas are answerable to foreign courts and subjected to judicial procedures which may vary greatly from those in the United States.

Every reliable indication is to the effect that the Status of Forces Treaty is disapproved by a substantial majority of American public opinion.

Then it goes on further to say:

The Eisenhower administration and the immensely popular personality who heads it both deservedly command wide respect and support. But even so when they are in conflict with basic issues, it is significant that the issues will not down. Nor are they likely to be permanently suppressed.

I will take you now to the east coast to see what the people on the east coast have to say. May I say to the distinguished leaders in this House that I have before me a resolution from the General Court of the Commonwealth of Massachusetts adopted by the Senate of the Commonwealth of Massachusetts on March 29, 1956, and adopted in concurrence by the House of Representatives on April 11, 1956, in which it is stated:

*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact such legislation as may be necessary and pertaining to the repeal of a treaty relative to the prosecution of members of the Armed Forces of the United States serving in foreign countries for alleged violations of the law of such countries.

Their legislature has petitioned us to repeal these statutes. Now we can do it by the sense of the House and it should be done.

A similar resolution was passed by the State legislature of the State of California calling upon the Congress of the United States to do likewise.

In conclusion, I want to bring you up to date on one case that I think is quite important. Recently an American captain in Japan fired four Communists working in an officers' club. These Communists went into the civil courts of Japan and brought an action to have their jobs restored to them. The court said they should have their jobs restored. But the captain refused to restore these jobs to them. They then went into court and got a judgment for their back pay and this American captain is now in the position where they are going to levy against his pay because he would not put them back to work.

In the agreements entered into with Japan, there is a provision that if the

captain has property on the base in Japan it is the duty of the United States Government to turn it over to Japan to satisfy that judgment.

Mr. Chairman, here is an opportunity where this body can exercise the sense of the people of the United States and say it is the sense of this Congress that some attempt should be made to renegotiate these treaties. Let us say that we may have the right of waiver. Let us get it down to the American boys serving in the uniform of the United States for the protection of the Constitution of the United States, wherever they go, wherever they are sent to defend the free world, to defend this country and the nations of the world.

The CHAIRMAN. Does the gentleman from South Carolina withdraw his reservation of a point of order?

Mr. RICHARDS. Mr. Chairman, I withdraw my reservation.

Mr. SMITH of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to point out in regard to this issue a vital point that I do not think has been adequately explained to the American people. I think in any case where there has been an explanation the American people not only strongly support the idea involved in the status of forces agreement, but they would be violently unhappy if we did not have such an agreement in effect.

In my district, as in many districts throughout the Nation, there is an Air Force base that has upon occasion trained a number of foreign pilots. There is a sprinkling of pilots from our various allies. That is true in other military bases throughout the country, not only through NATO but a program that we have had from time immemorial. Back preceding even World War II we have trained foreign soldiers in some degree. What if any one of those foreign soldiers in my district went on a rampage and committed some crime? Suppose it was a case of rape, murder, arson, or some of the other crimes that we hear about. Would I deny to the people where this crime was committed the right to try that man for that offense, or would I say, "Let us send him back to France, England, Germany, or wherever he comes from. We do not want to touch him."

Let us think about these American soldiers that my distinguished friend was talking about. Certainly they are American soldiers, but we have to accept the fact that just because he is an American soldier does not mean that a man is 100 percent perfect.

#### TYPICAL CASE INVOLVED

I read the other day of a case where some American soldiers were going to be tried in England. They were going to be tried in the English courts. But, what had they done? They had been in the process of assaulting an English woman. An English civilian had attempted to rescue this woman, and these soldiers had killed this man and brutally assaulted two of his companions. Do you want to save those men?



They should be tried, and, if found guilty, punished by the people in their own community.

And, I say to you that we cannot afford to deny to the American citizens, where we have foreign troops, the right to try those troops who commit offenses against the people of America.

Now, as to this matter of justice being involved, I served a long number of years in the United States Army. In three of those years I was a defense counsel at courts martial, and I must admit that my ability as a defense attorney was not great or else the system of justice was biased, because of the dozens of men that I represented none of them were ever acquitted. And, as far as the soldier being given a military trial is concerned, he gets off far lighter by going to the civilian courts. Of course the military officials should make sure that legal observers are appointed and make sure that he gets a proper trial. Our embassies should cooperate with the military along that line to make sure he gets a proper trial.

Mr. Chairman, I think that as the result of the questions that have been raised by the gentleman from Ohio and other Members of the House, who have acted in good faith about this matter, certainly our State Department and our Armed Forces people are more alert to any possible violation of the rights of a soldier. But, certainly, if a soldier drives a car in one of those countries and runs through a traffic light, he should be subject to the same type of police court that we expect here when he commits a traffic violation or any other type of crime up the ladder.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. SMITH of Mississippi. Mr. Chairman, I ask unanimous consent to proceed 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi [Mr. SMITH]?

Mr. GROSS. Reserving the right to object, does the gentleman propose to yield some of that additional time?

Mr. SMITH of Mississippi. I shall be glad to yield some of that time.

The CHAIRMAN. Is there objection to the request of the gentleman that he be allowed to proceed for 5 additional minutes?

There was no objection.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman compare the system of jurisprudence in foreign countries with that of the United States? Does the gentleman know that in foreign courts the accused is presumed to be guilty and not innocent?

Mr. SMITH of Mississippi. I know that in some foreign countries their system is not as good as ours in their courts, but I think we have some courts in this country that are pretty bad themselves sometimes. But, to go back to this situation and the issue involved here. I think there is no question but that some of the American people do not understand that this particular treaty provides certain things. It may have some im-

perfections, but basically it provides that we shall have the right to try foreign soldiers just as they are given the right in their country to try American soldiers.

We have a right to try foreign soldiers under this treaty and our people want that right. I do not think under any circumstances we should take any step that would deny our people the right to try foreign soldiers who commit these offenses; and they could be very heinous offenses. And to see how heinous they could be, one has only to look down the list of some of the crimes that American soldiers have committed in foreign countries. Some of them are dastardly. I think criminals should be punished.

I am getting tired of people saying that because a man is wearing an American uniform that he is perfect, that he could not commit murder or rape or arson and that if he did, we should forgive him. I think that we should demand that American soldiers who do not live up to the laws of foreign countries should be subject to punishment.

I, for one, as a Member of Congress do not intend to take part in any effort to defend murderers and worse by this type of indirect action.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think one of the most disgraceful situations and one that we surely must not tolerate involves the innocent child born abroad either in or out of wedlock whose father, a man who wears the uniform of the United States, deserts that child and comes back to the United States and refuses to support him. That, I think, is disgraceful.

Mr. SMITH of Mississippi. I agree with the gentleman about that situation, which has occurred in some of the countries where American troops have been stationed, is a great disgrace and a blot upon American history.

Mr. McCORMACK. And that is done sometimes with the permission, and sometimes the approval, of our Army and Air Force officers.

Mr. SMITH of Mississippi. I think it should be possible for the mothers of these children and the children to have recourse to the law.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Idaho.

Mr. BUDGE. Of course, I do not believe any of us would argue with the gentleman that our servicemen should be protected when they commit these crimes. I would certainly agree with the gentleman, and I am certain that the gentleman from Ohio (Mr. Bow), the author of the amendment would agree that they should be punished. But in view of the gentleman's statement of his defense record before Army courts-martial it would appear that they are being punished under our system of government; is not that correct?

Mr. SMITH of Mississippi. I think that quite often they have been punished too severely under Army courts-martial. At least, that was my opinion when I was the defense counsel. There is no

question here in the minds of all of us that these people should be punished. But by taking this sort of step we are putting ourselves in the position of saying that if a man is a soldier we forgive his crime. We accept the fact that a civilian shall be tried in a civilian court. If an American soldier commits a crime in the United States, that is covered by a statute applicable to civilians, we accept the fact that under normal circumstances he is tried in a civilian court. Certainly we should have that same power to try foreign soldiers. There are situations where under the Army or the Air Force or the Navy system a man might be in a position to get by with a crime, a civilian offense committed abroad, if he knew it would not be properly reported to the military officials.

In the interest of justice, this amendment should be defeated.

Mr. HALLECK. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the gentleman from Ohio knows of my high regard for him. I know of his long-standing interest in this matter. I am completely convinced of his sincerity in respect to the position he takes.

Since this matter came up in this body some time ago I have taken it upon myself to become informed about it, to see whether the Status of Forces Treaty is as bad as some people say it is; and more important than that, to try to find out just how it has operated. Have our boys been abused? Have they been subjected to cruel and inhuman treatment? Have they been deprived of fair trials under the operation of these agreements?

I must say that after that very careful investigation, while I understand the position of the gentleman from Ohio, unfortunately he is just as wrong about it as he could be.

In the beginning, this is a rather peculiar circumstance. Here is a treaty the negotiation for which began with our present President when he was in Europe starting in this operation. The treaty that was negotiated subsequently was ratified by an overwhelming vote in the other body. That is the way these treaties are made in the first place. It is highly unusual that we begin here in the House of Representatives to undertake to review that matter or to invade a field that actually is not one within our proper jurisdiction.

I know that the people in the other body through their Armed Services Committee are running a continuing surveillance of the operation of these agreements, and I understand their committee over there is going to take up some hearings likewise to make further determinations.

There is something else that bothers me about this. If you do not believe in this program, that will be voted overwhelmingly through the House of Representatives the first of the week, then you could well support this amendment, because, I must again agree with my friend from Ohio, if this amendment is adopted the ultimate result will be to wreck this whole program, for I am convinced that these foreign countries, these friendly



nations, who have rights they believe in themselves, are not going to cede to us and grant to us complete original criminal jurisdiction over our forces abroad.

While it is only the sense of Congress, knowing the President as I do, if this were to become law he would feel himself compelled to take the steps here advocated.

Beyond all of that, the thing that disturbs me more than anything else is that I am afraid there is implicit in the approach of this amendment and in the language of the amendment some sort of an insinuation, at least, if not charged direct or indirect, that the President himself has some lack of solicitude for the welfare of our men overseas in the service and for the protection of their rights.

For my part, I am absolutely convinced that if the operation of any of these agreements should be demonstrated to be harmful to our men in the service and abuses were becoming prevalent, the first man to move as the Chief Executive, the Commander in Chief, would be Dwight D. Eisenhower. I am not going to put myself in a position of saying to him that he ought to do it, whether or no.

Now, you talk about constitutional rights. When a man goes into the Army he quickly loses some constitutional rights that he normally has as a civilian. Certainly when he goes overseas and is stationed in a friendly foreign country, without regard to any argument that may be made about constitutionality, he becomes subject to the criminal laws of that land, and for violations there he is subject to punishment. I think with respect to the Status of Forces Treaty it should be kept in mind that jurisdiction is not left to remain with the host country in those cases where a man is on duty, where the offense is against one of our own people or against the property of the United States. It is only when he is on leave. He may be stationed in Germany. He goes to France and he commits a crime and the French authorities arrest him. The Constitution of the United States does not follow that man over there in those circumstances. I do not have time to read the authorities, but the authorities are all in that direction.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HALLECK] has expired.

(By unanimous consent, Mr. HALLECK was granted 5 additional minutes.)

Mr. HALLECK. Now, there is another thing that disturbs me about this. I am afraid that it proceeds originally from the assumption that these troops of ours stationed in France or in Germany or England or Belgium, or any of those other countries, wherever they may be, are over there only to protect the people of those countries, only to keep France or England from being overcome. If anyone believes that sort of thing, he ought not to be for this bill at all; but

if, on the other hand, this is truly a mutual security bill—and I say that is what it is—then those men are over there as a measure of protection for the countries involved incidentally, but primarily, as far as we are concerned, they are there for the outpost protection and defense of the United States of America.

I can recall as a youngster we talked about defending America and we said a million farmers would meet an enemy with shotguns and pitchforks. Then we went on to the time when the Navy, controlling the surface of the seas, was our prime protector. But we have passed from those days—while I am still for a good Navy—to the days of fast, high-flying airplanes, carrying atomic and nuclear bombs, taking off from Russia, able to strike the cities of this country, so they say.

How do you defend against them? You do not start at the Atlantic coast or the Pacific coast to defend against that kind of attack. You could not possibly do it that way. I do not think anyone in his right mind would feel that we can. So what do we do? In this atomic and nuclear age, the nation that is isolated is at a great disadvantage. So what have we done by stationing these forces abroad? We have prevented Russia from isolating us.

Now, when you get ready to establish these bases, with our planes and our bombs and our weapons, how do you do that? You negotiate with friendly nations, many of whom are just as proud of their institutions and their justice as we are proud of ours. So you enter into this agreement. You do not yield anything. Actually, if we renounced the Status of Forces Treaty, our men would be subject to criminal prosecutions. Supposing a serviceman over there commits a crime and is arrested while he is on leave and the authorities get him. We do not have this treaty. What are you going to do about that? They say they are going to try him. There is nothing we can do about it, unless you pull the troops out. If you want to pull the troops out, that is one thing, but I do not believe we have got to the point where we can do that.

Actually as to how these treaties have worked I had the United States Army in Europe headquarters give me a breakdown on the penalties inflicted on Americans committed as compared with our military courts martial and courts over there.

Here is an analysis of sentences imposed on United States personnel by criminal courts in France and the United Kingdom, compared with those imposed by general courts martial:

Offenses	GCM	France	UK
Rape.....	7 years, total forfeiture.....	.....	21 months.
Adultery.....	1 year, total forfeiture.....	\$28.57.....	
Indecent liberties with child under 16.	4 years, total forfeiture.....	\$142.85, 7 months (suspended).....	
Robbery.....	7 years, total forfeiture.....	3 years (including Keefe and Scaletti; 4½ years each).....	\$25.20, 11 months (partly suspended).
Larceny.....	1.5 years, total forfeiture.....	\$19.43, 2 months (partly suspended).....	
Forgery.....	2.75 years, total forfeiture.....	.....	\$4.66.
Aggravated assault.....	2.6 years, total forfeiture.....	\$57.14, 5 months.....	1.33 years.
Burglary.....	3 years, total forfeiture.....	1 year.....	
Involuntary manslaughter.	2 years, total forfeiture.....	\$171.42, 3 months (suspended).....	2 years.
Possession of narcotics.	\$200 or 2 years, total forfeiture.....	\$17.14.....	
Assault and battery.....	\$150, 3 months.....	\$57.14.....	
Simple assault.....	\$240, 4-5 months.....	\$17.70.....	\$17.09.
Negligent homicide.....	\$300, 6 months.....	\$114.28, 2 months (suspended).....	
Reckless driving (leaving scene).	\$480.....	\$28.57.....	\$20.02 for 350 cases; \$44.33 for 3 cases; 5 months for 2 cases.
Drunk driving.....	\$150, 8 months.....	\$4.28.....	
Indecent exposure.....	\$150.....	\$42.85.....	
Drunkenness.....	\$50, CHL 1 month.....	\$16.....	

Now, here is a summary giving a comparison of the average sentences to confinement imposed by foreign civil courts

and United States military courts for similar offenses, as compiled by the European Command:

Type of offense	Average sentence imposed	
	Civil courts	Military courts
Rape.....	29.2 months (4 cases).....	11 years (8 cases).
Manslaughter (including negligent homicide).....	9.6 months (5 cases).....	4.5 months (4 cases).
Robbery, larceny, and related offenses.....	5.5 months (6 cases).....	10.2 months (277 cases)
Aggravated assault.....	9.9 months (13 cases).....	13.3 months (77 cases)..
Traffic offenses including drunken and reckless driving and fleeing scene of accident.	1.9 months (11 cases).....	4.2 months (58 cases).
Offenses against economic laws.....	4 months (1 case).....	11.6 months (14 cases).
Carnal knowledge.....	6 months (1 case).....	5 years (1 case).
Indecent exposure.....	1 month (1 case).....	33.3 months (18 cases).
Resisting arrest.....	10 days (1 case).....	2.2 months (2 cases).
Indecent assault.....	15 months (1 case).....	6 months (1 case).
Use and possession of narcotics.....	3 months (1 case).....	1 year (7 cases).



Here is a comparison, by the same command, of the number of sentences to confinement resulting from trials in foreign civil courts for the 11-month period from July 1, 1954, to May 31, 1955, and

the number of sentences to confinement resulting from trials of similar offenses in United States military courts for the 6-month period from December 1, 1954, to May 31, 1955:

	Cases tried		Sentences to confinement		Confinements suspended		Actual confinements	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Civil courts (11 months)-----	1,098	100	106	9.6	61	5.5	45	4.1
Military courts (6 months)-----	1,833	100	645	35.5	178	9.7	467	25.4

I know this thing is highly emotional and surcharged. You talk about the serviceman's rights under the Constitution. When I was over there I found out about one case that might shock you. A high Government official got word that a certain sergeant was held in jail and needed \$100 to get out. The boy had written to his mother to send him \$100 to get him out of jail. So the official got busy and sent for the sergeant. He walked in rather sheepishly and said: "I know what you want me for. I have been playing a little poker and when the game broke up I owed the boys \$100. I did not want to tell my mother I had been playing poker, and I thought the easiest way was to write her that I was in jail and needed \$100 to get me out." There was terrific excitement in the serviceman's hometown over the false story that the sergeant was in a foreign jail.

I have talked to the men who are trial observers, men who are required to be there to see that our people get a fair trial, and they tell me our servicemen are not being abused. I think the figures disclose from every available source from which you can get dependable information that instead of being abused our men have had fair trials; punishment has not been out of line; and, as a matter of fact, has been a lesser punishment than would have been inflicted by our own courts-martial.

So I say that the amendment should be voted down.

Mr. KILDAY. Mr. Chairman, I move to strike out the last word.

(Mr. KILDAY asked and was given permission to revise and extend his remarks.)

Mr. KILDAY. Mr. Chairman, I think it was unfortunate that the United States entered into the Status of Forces Treaty; on the other hand, we did enter into it; it was negotiated with all the formality of a treaty and in accordance with the Constitution it was submitted to the Senate where to be adopted required a two-thirds vote, and it was adopted by a vote of two-thirds of the Senators present at the time.

At that time Senator BRICKER, of Ohio, offered a reservation to the treaty which contained one portion of the amendment offered by the gentleman from Ohio [Mr. Bow] that the United States retain exclusive jurisdiction over its troops sent into foreign countries; but it contained the other provision which must necessarily go with the provision the gentleman has included in his amendment. That is, if foreign nations sent troops to the United States

they would likewise maintain exclusive jurisdiction over their men while they were in the United States. That was not adopted by the Senate, although it was offered there at the time and the question was thoroughly debated.

I said it is unfortunate that we entered into the treaty. But this provision which the gentleman from Ohio complains of is not the vice in this treaty. It is presented here as if foreign nations acquire a jurisdiction over our troops in their countries because of the Status of Forces Treaty, and because I feel the treaty should not have been entered into I think it is time to examine into the situation.

There may be some doubt as to the exact provision of international law as it is understood everywhere, but I do believe that the better opinion is that recognized practically universally in international law that troops who enter a foreign country as an invading force, for instance, or by invitation, or during combat are under the exclusive jurisdiction of the military courts of their own country so long as they are in column or so long as they are within the cantonment where they are stationed, but not where they are off the cantonment or on recreation off duty. This Status of Forces Treaty does provide for practically that same situation. It does not cover the man while he is in the discharge of his duties as a member of the Armed Forces of the United States.

This question has been deemed of such importance that at the time our troops entered European countries in World War I and again in World War II, about the time they arrived and even just before they arrived, an agreement was made with each foreign country as to the status of our troops when they arrived there. So that if you did not have the Status of Forces Treaty the sovereign country, of course, has jurisdiction over the people within that country who violate their sovereign law except troops in a foreign country by invitation, while on the reservation or while discharging their military duties.

There are not as many foreign troops stationed in the United States as there are United States troops stationed in foreign countries. It does happen, however, that in my district there are quite a number of them stationed. Some months ago a member of one of the foreign services went down to a town in my district and committed a rather serious assault on a citizen. The question immediately arose as to where that person could be tried, whether he could be tried

in the courts of my State or not. Had the other situation prevailed, if you had given exclusive jurisdiction to the foreign country, then the courts of my State could not have tried that man.

Now, the difficulty in the Status of Forces Treaty is not that they can try these men for violations of their laws when off duty. The only thing in it that should not have been done was the commitment to deliver to the authorities of the foreign country a member of our armed services.

This is not a new question. Every county seat in the United States has this sort of thing arise. Before coming to Congress I was in the State prosecuting office at San Antonio, Tex. At that time we had a large portion of our small military establishment stationed there. If a member of the military should come into town and be charged with the commission of an offense and got back to the post before we got him, you had the same question arise. The question then was how you would get him away from the military where he had gone back to, where jurisdiction had been ceded by the State of Texas to the Federal Government. You only got him because of a comity which existed between the State officials and the military officials. I say it arises in every county and city because so many offenses are a violation of both the Federal and State law. If the Federal Government gets him first the State court can only get him if the Federal Government will agree to let the State have him.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent (at the request of Mr. SHORT), Mr. KILDAY was allowed to proceed for 5 additional minutes.)

Mr. SHORT. Mr. Chairman, I would like for the gentleman to discuss the difference between misdemeanors, minor offenses and criminal offenses.

Mr. KILDAY. Mr. Chairman, in practical effect you have the situation of a person charged with an offense that might be a violation of the law of two sovereignties. Who would get hold of him first? I will tell you that when I was a State prosecutor I had far more difficulty with the United States marshal and the United States attorney than I ever had with the provost marshal of any of the military posts within the jurisdiction of the courts in which I prosecuted.

I agree with practically everything the gentleman from Ohio [Mr. Bow] has said, and practically everything that he has read from newspapers, except the manner in which you should proceed to do something about this. If I knew more about this situation than the gentleman who wrote the editorials which were read here, I might agree to take such action. The Constitution clearly states that the Constitution and the laws and the treaties enacted thereunder are the supreme law of the land, and that is the situation we have. We have here a solemn treaty entered into with all of the solemnity that the Constitution calls for, including ratification by the Senate with a two-thirds vote.



Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Ohio.

Mr. BOW. I should like to point out to the gentleman, if I may, that the agreements under which we are operating in many countries have never been submitted to the Senate of the United States.

Mr. KILDAY. I agree.

Mr. BOW. The agreement we are now operating under with Japan, which is one of the most vicious, was not entered into by the President or the Senate of the United States but by an ambassador, so we do not have the case there where the Congress has adopted it.

Mr. KILDAY. It is true that in the Pacific area those have not been submitted to the Senate. They are executive agreements. They are agreements of the identical type and character that we had with France, England, and Belgium, and what-not in Europe during World War I and World War II.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Is it not true that if this is a matter of constitutional right, as the gentleman from Ohio says, then it would be incumbent on the United States to defend every American citizen abroad, wherever he was, against foreign jurisdiction of any court? So you might have a case where, if we did it for a serviceman, you would have high-school kids and American businessmen and other Government officials in embassies that would not be protected.

Mr. KILDAY. Oddly enough, the only time it has come to the floor has been in the reverse in the Committee on the Judiciary with reference of the deportation of our own citizens. But, of course a tourist in a foreign country is subject to the laws of that foreign country just as a foreign tourist in this country is subject to the laws of this country, so that under this agreement our men are hedged with greater safety.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. GROSS. Does not the gentleman think that this is taking quite a different turn than was contemplated when in Japan the Japanese courts levied on an Army officer who had discharged four civilians because they were Communists, who worked on an airbase?

Mr. KILDAY. I heard that detailed here. That is the only information I have with reference to it. I do not know of anything in the status of forces treaty having to do with that civil liability of which you speak. Now, no matter whether this treaty should have been entered into or not, certainly this is not the manner in which to attempt to overcome an improvident treaty that was entered into by the executive branch of the Government and then ratified by the Senate. I forget the exact vote in the Senate, but it was far in excess of two-thirds.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Michigan.

Mr. JOHANSEN. The gentleman referred earlier, as I understood, to a foreign officer or soldier who was arrested in his State for a criminal offense and brought to trial. Do I understand that was under the American court?

Mr. KILDAY. That is true.

Mr. JOHANSEN. I may have missed it, but did the gentleman say what the outcome was or what the disposition of the case might have been?

Mr. KILDAY. I do not have the slightest idea, and I do not think it has any relationship to the question involved, whether the courts in my State had the right to arrest him and indict him and try him under the procedures of the law in my own State.

Mr. JOHANSEN. Does not the gentleman feel it is important for a man who is in a foreign country, not as a visitor or tourist but there on military assignment and military orders, to have some safeguards against foreign procedures, jurisdictional and judicial procedures?

Mr. KILDAY. Well, the foreign nations had that power before the status of forces treaty was entered into. They had it because they are sovereign nations and they have sovereign authority over every person within their boundaries. They did not have it over a man who was on active duty and performing his duty. But they did have it under international law when he was away from his post for recreational purposes.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. Gross] for 3 minutes.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I am not surprised that the gentleman from Indiana [Mr. HALLECK] took the floor in opposition to the amendment offered by the gentleman from Ohio [Mr. Bow], which I support.

I go back to May of 1954 when there was a bill before the House which the gentleman from Texas [Mr. KILDAY] mentioned in passing, a moment ago, a bill which would have permitted the extradition and deportation of an American tourist who, for instance, while in Europe had committed a misdemeanor and returned to this country.

He or she could have been extradited and deported back to Europe for trial in a civil court, and that also applied to a serviceman or his dependents who had been stationed in Europe and returned to this country.

Quite a fight developed over that bill on the floor. The gentleman from Indiana [Mr. HALLECK] voted for it. If

you go back to May 10 of 1954 you will find that the gentleman from Michigan [Mr. HOFFMAN], seeking to obtain 5 minutes, offered a motion to strike the enacting clause and the House approved the motion. That was the first and only time since I have been a Member of the House, which is 8 years, that the House has thought so little of a bill that it killed it by striking the enacting clause. A rollcall vote was forced and that particular bill, which the gentleman from Indiana [Mr. HALLECK] supported, was defeated by a vote of 228 to 68, demonstrating that this House does have at least some concern in the matter of United States citizens who may be tried in foreign courts under foreign judges.

I should like to point out to the gentleman from Indiana [Mr. HALLECK] and gentleman from Mississippi [Mr. SMITH] who addressed us a short time ago, that there is quite a difference between being tried in a United States court and being tried in a court in France where, first of all you might be arrested by a Communist policeman and then tried by a Communist judge and jury. There is quite a difference between that kind of justice and the justice that a foreign national would get in this country.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am happy to yield, since I used the gentleman's name in my remarks.

Mr. HALLECK. Of course, it is quite apparent that the gentleman does not like me very much, which is perfectly all right; but does the gentleman have any evidence of any instances—

Mr. GROSS. I do not know how the gentleman can read that into my remarks. At no point have I evidenced any dislike of the gentleman.

Mr. HALLECK. Does the gentleman have any evidence of any cases of trials in foreign courts, under the Status of Forces Agreement, where the gentleman thinks the punishment has been beyond that to fit the crime?

Mr. GROSS. I am not now presenting cases and figures, but I think that instead of reading off \$28.50 as punishment for some rather serious offense, as the gentleman did, I would have gone into a more logical dissertation in an effort to prove the point that the punishment meted out in foreign countries is so very minor. I will say to the gentleman that I doubt whether, if he had a son in uniform serving in a foreign country, particularly in Japan, as I have, he would like the idea of his son, if he committed some misdemeanor, being tried before a Japanese judge without an American lawyer or an understanding of the language and incarcerated in a Japanese prison.

Mr. HALLECK. It just so happens that I had a boy in uniform for 4 years who is now out of the service. He did not serve in Japan but, from what I have seen of the operation of the Status of Forces Agreements, I do not think he would have been abused. I do not think an injustice would have been done him under the operation of that treaty.



Mr. GROSS. I differ utterly and completely with the gentleman. I think the Status of Forces Treaties and the secret agreements—and some of them are secret—that have been entered into are a shameful, un-American betrayal of United States citizens.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, this of course is an issue full of heartthrobs. As the gentleman from Ohio said, you could go into almost any part of the country and get great emotional reactions. However, I think the facts of the matter should be kept very clearly before our minds, they have not been made clear to many who are honestly and unnecessarily disturbed.

In the first place, as has been pointed out, this would probably do more to wreck NATO and other mutual assistance programs, so vital to our own defense, than if we subtracted a lot of money from the bill. We cannot have partners in this international enterprise that are of two classes. We cannot expect free nations to discard their laws and accept the slight that we consider their administration of justice inferior and unfair.

When the Senate adopted the treaty there were ample safeguards, it seems to me, included in the reservations, which provided that full scrutiny would be maintained. As a matter of fact, only a very small proportion of the cases are tried in foreign courts.

It has been my experience to serve in 2 wars in many foreign nations in various parts of the world and in the last 2 or 3 years I have had an opportunity to look into this particular matter in nearly all of the NATO countries, all of them but Iceland, as a matter of fact, and nowhere have I found any abuse of Americans. Actually, troop commanders anywhere are successful in the long run only if they are known by their men to be their champions and protectors. One never finds a really successful commander hardboiled or otherwise, who does not look after the interests of his men and see that justice is done them. By and large our leaders follow this pattern.

I have talked to many of them throughout the NATO area and elsewhere, but nowhere did I find an officer of high rank or low who felt there was any injustice being done his men under the existing system.

The other body has made an extensive study of this matter. Less than a year ago a special committee headed by Senator Ervin filed a report that is interesting. It examined the operations in all jurisdictional arrangements in which American troops were subject to trial in foreign courts, involving some 60 countries throughout the entire world. The committee reached the following conclusion:

It is the view of the subcommittee that, generally, the criminal jurisdictional arrangements regarding United States troops abroad are operating satisfactorily and that the exercise of jurisdiction by foreign courts has not had an adverse effect on the morale

and efficiency of American troops stationed in those countries.

The report further stated:

The subcommittee has been aware of widely circulated reports which indicate that Americans have received sentences by foreign courts involving cruel and unusual punishment, such as the cutting off of hands. The Department of Defense was requested to furnish information regarding any case of this nature. In response the subcommittee was advised that the Department of Defense knew of no instance where physical punishment of any nature had been received by an American as a result of sentence by foreign court.

The Department of Defense, has indicated that American officials and chaplains visit regularly the 58 Americans who are confined in the institutions in the 5 countries. No information has been received which would indicate that the conditions of confinement are other than satisfactory. In France permission to visit prisoners is granted to friends and members of the prisoner's family. The confined soldiers are being extended adequate medical and dental care and have access to recreational facilities. In Japan a portion of a Japanese prison has been set aside solely for American prisoners who are given preferential treatment over Japanese prisoners, particularly with respect to the type of food provided.

The Department of Defense has issued a directive requiring that military commanders seek to conclude agreements with local officials whereby the American commanders may accord servicemen confined in foreign institutions the same privileges that would be extended to Americans confined to United States military facilities.

(Mr. MILLER of Maryland asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. DEVEREUX].

(Mr. DEVEREUX asked and was given permission to revise and extend his remarks.)

Mr. DEVEREUX. Mr. Chairman, I am sure we are all trying to arrive at the same ultimate end, as far as the protection of our men is concerned.

I introduced a bill that come out under somebody else's name, but that is the way of things, to provide for money so that we could have counsel for our servicemen when tried in foreign courts. That, I hope, will become law very shortly.

As to this question of giving up constitutional rights, of course, any man going into the service does give up certain constitutional rights. The Constitution does not follow the flag. We have the matter of consular courts particularly. Where those consular courts exercise their jurisdiction the people tried in them are not tried by jury as provided for in the Constitution. That is a well-established point of law.

What would happen if the Bow amendment were to go into effect and the Status of Forces Treaty be no longer in force? We would then go back to general provisions of international law where our troops would not have the protection they have today.

We have greater protection for our men now under the Status of Forces Treaty than we would without its existence; and, therefore, I believe that we

are much better off under the present circumstances.

I think most of the points have been covered pretty thoroughly in this discussion. I urge this committee to vote against the Bow amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Indiana [Mr. ADAIR] is recognized.

Mr. ADAIR. Mr. Chairman, those of us who support this amendment certainly do not want American servicemen who commit offenses to go unpunished, but we want them punished in American courts in the American tradition and under American law. We think they should be tried as they were prior to the adoption of the status of forces treaty. International law heretofore provided that they should be tried by their own military authorities.

I differ with those who have stood in this well today and said that we give our men additional protection by the status of forces treaty. In my opinion, that is not correct. It has been the law that when we sent our military personnel into foreign countries, at the invitation of those countries or with their acquiescence they continued to be under our control.

Reference has been made to the situation in Japan. It has been pointed out that there our men are being tried, not under treaties ratified by the Senate but under executive agreements made pursuant to treaty.

Several of us, including myself, last December stood in the Japanese prison where there were more than 50 American men incarcerated that day. We visited the prison; we talked to the men. The prison was clean. The Japanese authorities were courteous and helpful to us. But here is what we heard: The boys said they were cold. The prison was cold. They said they were denied at all times the use of tobacco even when they were in their own cells in the evening. But more important than that, they told us they were hungry, that they cooked and ate the food that was given to them but they were still hungry. But they said they could take even that if they had had an American trial, even a court-martial—if they had been tried in a court the language of which they could understand, if they had had competent counsel, if they had had a continuous trial and not one consisting of interrupted appearances in court, and if they had had the right to be confronted with the witnesses who testified against them—and they did not have that right.

Mr. Chairman, I do not see how we can in any manner excuse our own actions if we fail to adopt this amendment. We have provided, and very properly so, that our diplomats throughout the world have certain diplomatic immunities—and that is right. But how can we say to a man: "Here, you must put on the uniform of our country, you must go where you are sent, and then we will not extend to you the protection of our laws?"

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Judd].



[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, the gentleman who proposes this amendment, on May 31—I was not here at that time—made a rather severe indictment of our committee in the RECORD of that day when he quoted from the committee report, as follows:

The committee urges that the status-of-forces problem be faced directly and considered on its merits. It should not be used as a device for attacking the mutual security program.

Then he goes on to say:

Considering the facts, this statement borders on hypocrisy.

Last year when this matter came up I promised the gentleman from Ohio I would give him a full hearing on this subject before the Foreign Affairs Committee. I did that. He admits it. We had 9 days of full hearings. Everybody who wanted to appear was allowed to appear.

On page 11 of our report you will find this statement:

The hearings did not bring to light a single instance where it is claimed that an American serviceman believed to be innocent has been imprisoned by a foreign court, or an American sentenced for an act which in the United States would not be considered a crime. Neither has any case of mutilation, flogging, or any other cruel, unusual, or excessive punishment been cited.

Now, of course, we are all interested in trying to do something to have adequate protection for our servicemen abroad. And, as has been stated by the gentleman from Maryland, General DEVEREUX, a bill has already passed this House providing for payment for adequate counsel in foreign courts for the benefit of our servicemen. The reason I did not press my point of order against this bill was because I knew this issue had to be threshed out sooner or later. Why do the proponents of this amendment pick on this bill? This bill does not authorize sending United States troops abroad; it has nothing to do with that. The place to deal with the rights of our military personnel overseas is in military legislation. The gentleman from Ohio [Mr. Bow] knew on March 8 that the Committee on Foreign Affairs had voted 19 to 10 not to report out his resolution. Why did he not propose an amendment to the military construction bill, which was considered on the floor of the House a month later, on April 10, 11, and 12, or why did he not propose an amendment to the defense appropriation bill which was considered by the House on May 9 and 10?

I want to say this in closing. How can anyone who believes our bases abroad are important vote for this amendment? We are in danger of losing Iceland, anyway, and this amendment would make sure of our being thrown out of that country. In the north African bases we are about to begin negotiations with the new government of Morocco for rights to the bases there. This new government will cer-

tainly not agree to better terms than were given to us by the French. There will also be negotiations for renewal of agreements with Saudi Arabia. We do not have any aid for Saudi Arabia. We cannot talk tough to them.

Mr. Chairman, I hope this question will be settled once and for all. The constitutional and legal aspects of the problem have been argued ably this afternoon, and I will not go into them further. This is a dangerous amendment to add to any bill. We should not repudiate our solemn agreements arrived at by our regular constitutional processes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Bow].

The question was taken; and on a division (demanded by Mr. Bow) there were—ayes 30, noes 93.

So the amendment was rejected.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during 2 days of historic debate I have remained silent and a listener. I feel now, conscience impelling me, that I must speak. American fathers and mothers have a right to insist that when their sons and their daughters go into the service of our country, whether they serve in foreign lands or in this land, they receive justice.

Now, I am not criticizing the Armed Services as a whole. I think most of the officers in the Judge Advocate Corps are able, fine officers, but occasionally there are those who are of the ruthless type.

A young man from my district is in some trouble. The American Legion in the city of Chicago, through an officer and some of the members of one of the large posts, thinks that this boy is being improperly accused. So they were preparing a defense for him. That naturally took time for investigation and the gathering of witnesses. Then word came that the court-martial was set for today. Only 48 hours' notice had been given. The witnesses were at a long distance. An officer of this American Legion post flew to the base, and from the airport in Chicago telephoned me. I sent a telegram to the serviceman advising him to have his counsel ask for a continuance. I assured him that I thought there would be no difficulty under the circumstances.

Later, I was informed that the judge advocate at that base was insisting that the young man go to trial at 10 o'clock this morning, Washington time, regardless of the fact that his witnesses were miles away. The telegram which a Member of Congress had sent to a young man from his district was undelivered. The telegram was sent at 10 o'clock on the morning of June 6. I was informed by the officer of the American Legion the night of June 6 that my constituent had not received the telegram. On June 7 the young man was told there was a telegram, but at latest advises to me he had not received it.

I do not know of any injustices to our service people in foreign lands, as some have mentioned them in the debate here, that are more violative of the spirit of American justice than an effort on the part of a judge advocate to rush a de-

fendant to trial without any opportunity to prepare his defense. If a Member of Congress cannot send a telegram to a constituent, a perfectly proper message informing him of the proper procedure, without having it sidetracked at somebody's whim, what are we coming to?

Mr. Chairman, I have thought it my duty to bring this experience to the attention of my colleagues. It is our responsibility to safeguard justice to all our men and women in the armed services. It is a serious matter when a telegram from a Member of Congress is withheld from his constituent under circumstances of the nature I have related. It should not be permitted to go unnoticed.

(By unanimous consent the pro forma amendment was withdrawn.)

The Clerk read as follows:

SEC. 8. Title V, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to general provisions, is further amended as follows:

(a) In section 501, which relates to transferability of funds, strike out the last two sentences and insert in lieu thereof the following: "Any funds transferred under this section for the purposes of furnishing assistance under section 201 shall be available only for furnishing assistance on terms of repayment in accordance with section 505, for furnishing surplus agricultural commodities under section 402, or for making grants for regional projects involving two or more beneficiary nations."

(b) In section 507, which relates to availability of funds, after "students)," insert "and other provisions of this Act."

(c) In section 509, which relates to shipping on United States vessels, after "this Act" in the last sentence thereof, insert "or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following)."

(Mr. FEIGHAN asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. FEIGHAN'S remarks will appear hereafter in the Appendix.]

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY on page 13, after line 12, insert the following:

"(d) After section 514, add the following new section:

"Sec. 515. Access to records by certain legislative committees: (a) Before any funds authorized under any title of this act may be expended or obligated after the date of the enactment of this section, the President shall issue such directions to the agencies and officers involved as will ensure that all documents, papers, communications, and other records on the basis of which any action is taken or any determination is made under such title will be freely available to any committee of Congress which has the duty of studying the operation of activities under such title.

"(b) Notwithstanding any other provision of this act, the continuing availability to appropriate committees of Congress (pursuant to directions issued under subsection (a)) of all documents, papers, communications, and records relating to operations under any title of this act shall be a condition of the exercise of any authority to expend or obligate funds under such title.

"(c) The provisions of subsections (a) and (b) shall not apply in the case of funds



authorized under chapter 1 or 2 of title I or unvouchered funds authorized by section 401, or in the case of actions taken or determinations made with respect to such funds.' "

(Mr. HARDY asked and was given permission to revise and extend his remarks.)

Mr. HARDY. Mr. Chairman, on the assumption that the other Members are as weary as I am, I hesitate even to present this amendment at this time of the afternoon. The truth of the matter is that I have been waiting for 3 days to try to get an opportunity to present this amendment and to speak on it. I cannot present it satisfactorily in 5 minutes, but I believe I am not going to ask for additional time.

Mr. Chairman, in offering this amendment I do so without hostility to the fundamental concepts of the mutual security bill. The record will disclose that our foreign aid programs have generally received my support, which has been based upon a conviction that this is in our own national interest. I have joined with the majority of my colleagues in a realization that the point 4 program of technical assistance has many features to commend it, and I have recognized that economic aid as first pronounced by General Marshall, combined humanitarian considerations with other considerations of both direct and indirect economic concern, in the best interest of the taxpayers of this country. I have been especially a supporter of military assistance to friendly free nations because this program had the objectives of helping the recipient countries to remain free, and at the same time added to the total free world defense a greater capability to resist aggression than would have been possible if similar amounts had been expended by our own defense establishment. In short, in my judgment, military aid funds properly employed, can produce more defense for us, as well as our allies, than could similar amounts achieve, expended in any other manner.

The mutual security bill we are considering today confers broad powers upon the President and certain executive agencies to spend, according to their discretion, moneys which this bill authorizes in lump-sum amounts. In effect, it delegates much of the constitutional power of the Congress to pass upon expenditures in advance. The current bill is not unique in this respect.

Why do we continue to enact legislation which so obviously represents a delegation of congressional responsibilities to the executive branch? The reasons, I think, are plain. The situations with which mutual security programs must cope are ever changing, and if the programs are to be successful, the executive branch must be in a position to take prompt action to shift them as the need arises. Congress has recognized this fact in the broad delegations of power this bill, and its predecessors, contain. It has recognized it and acted accordingly, however, on the supposition that there would be an opportunity for congressional review and scrutiny of expenditures after they had been made. This presumes that we shall know what this

current legislation is about and how the funds authorized under it are expended when the program is reviewed a year from now. That is theory, but it is not fact. How much does the Congress know about the details of expenditures made in previous years? Not nearly enough, in my opinion, to make informed judgments. To be sure, presentations are made each year by the executive branch which purport to be an accounting of their stewardship over foreign-aid programs in the preceding year.

As chairman of the International Operations Subcommittee of the Government Operations Committee, I have had occasion to go behind some of these presentations and to elicit from the executive branch supporting detail. The picture which has emerged in all too many instances has been different from that presented to the Congress in the normal course of events.

Let me tell you that a great many employees of our State Department and the International Cooperation Administration seem to take the position that they should not be required to tell anybody how these funds are spent. It might be said by some that adequate explanations are given to the Foreign Affairs Committee and to the Appropriations Committee. Let me tell you in all candor that that is not accurate, and let me show you why I say so.

Just as one illustration, to which I referred Wednesday, \$10 million of the funds appropriated for fiscal year 1954 was stated to the Foreign Affairs Committee as having been used to support a note issue in Iran. In effect, they served as collateral. The Foreign Affairs Committee apparently accepted that statement as sufficient detail, because there is no evidence that they went behind it. But within a few short months that \$10 million was available for expenditure rather than as collateral, and I do not know what it was spent for, and I defy anybody here to produce any tangible evidence as to what it was used for.

It is the duty of my subcommittee to examine the non-military-assistance aspects of our expenditures under this legislation. When in the performance of this duty we have asked for detailed records on such expenditures, we have been confronted at times with citation of an Executive order regarding the availability of executive-branch documents which was never meant to apply to the kind of information we requested. Only with difficulty have we been able to convince the executive branch that access to records of expenditures under this program and documents pertinent to it is a congressional right. I cannot blame the executive branch for wanting to put its best foot forward. That is to be expected and that is what it should do. But large sums of money are involved in this program and great issues are at stake. The amendment which I am proposing here today seeks to insure that we get adequate information in the future. It seeks only to redress the current situation in which the established balance between the respective responsibilities of the legislative and executive

branches has been upset by the broad delegations of authority contained in mutual-security legislation.

You have no idea what a job it is to get information that we must have, and under the present order of things we cannot be sure that we are being fully advised. I can show you point after point where the information provided has only been partial; and, if you will but review recent reports issued by the General Accounting Office concerning the procedures followed and the lack of accountability felt by personnel serving us abroad, I am sure you will share with me the same kind of concern which I feel.

(By unanimous consent (at the request of Mr. GROSS) Mr. HARDY was permitted to proceed for 5 additional minutes.)

Mr. HARDY. The purpose of this amendment is very simple. It says to the President, "We are authorizing the expenditure of funds at your discretion. We are delegating to you our authority to pass on these individual programs, but we are saying to you that if you expend this money under the discretionary provisions of this act you must instruct the people in the agencies to supply the committees of Congress, who have a statutory duty to look into your affairs, to give us all of the operational information that is required." That is all it does.

I am aware of the fact that Secretary Dulles has sent a rather lengthy and wordy letter about this matter. I am not impressed by the reasoning of it because much of it has no bearing at all on the amendment. However, I have made a few modifications in the amendment as originally sent around to the Members, in order to meet some of the objections the Secretary pointed to.

He said, for instance, "We cannot operate because restrictions would apply on the effective date of this act and a constitutional question is raised." There is no constitutional question involved in this. But I have reworded the amendment to make it apply 60 days after the act becomes effective. Certainly, within 60 days after, his lawyers can find out what they can do and what they cannot do, and can draw up proper instructions.

There was already enough guaranty that the security requirements would be safeguarded, but I have spelled that out.

Then another provision was put in to permit the President to exclude information at top diplomatic level if in his opinion it was not in the interest of the Nation to submit it.

I think every legitimate safeguard has been provided. I think that if we fail to adopt this amendment we are abdicating our constitutional responsibility, and I firmly believe that we should adopt it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I shall be happy to yield to the gentleman from Iowa.

Mr. GROSS. I cannot permit this opportunity to pass without commending the gentleman for the very fine report released only recently, perhaps 3 weeks ago, by his subcommittee, entitled "Administrative Management of the State Department." I certainly recommend



this document to every Member of the House and particularly to the members of the Foreign Affairs Committee. This document ought to be entitled "Administrative Mismanagement of the Department of State."

Mr. HARDY. I thank the gentlemen and I would like to call attention to just one point in the report on this bill by the Foreign Affairs Committee. It reports that with respect to Latin America, host governments will contribute about \$21,824,000 in cash equivalent to the various point 4 projects. This is the figure computed on the basis of International Monetary Fund exchange rates. These are totally unrealistic and in sharp contrast with the free market rates which should be the basis for comparison. In the hearings on this bill at page 330 is a table comparing IMF rates and free market rates. I wish you would look at just the first three items. The IMF rate for Bolivia is 190 against a realistic free market rate of 4,600. With respect to Brazil and Chile, the next two items tabulated, the relationship is about 4 to 1.

Thus, on a realistic basis if the free market exchange rate had been employed by the committee host government contributions would probably be nearer \$5 million than \$21 million. I tell you frankly that this is misleading, to say the least.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

First, however, I want to commend the gentleman from Virginia [Mr. HARDY] and his subcommittee on the study they have made on Latin America and the one that they are making on Iran. We used the text of the Latin American report to advantage in interrogating witnesses during the preparation of this bill.

As to the situation on the Iran report, the gentleman says that the subcommittee has worked out a satisfactory arrangement.

This amendment strikes at the constitutional separation of powers between the Congress and the Executive as interpreted first by George Washington when the House of Representatives said they wanted to see the papers leading up to the Jay Treaty, all the papers. He sent back word to the effect that the House could not see them because it was an interference with Executive prerogatives.

Ever since then that has been the position that every President has taken and we have wrestled with it here in one administration after the other. We feel that the position is abused at times. There was one President—I cannot give his name but I found this in Cannon's Precedents—who said when the demand was made on him for some papers: "I am not going to send them. I think this is my constitutional duty. The only way that you can enforce your demand on me is to impeach me."

As said in the Secretary of State's letter, and I think this is an accurate statement, the instructions that would be required under this amendment to every agency of Government would provide for the automatic disclosures of papers not yet prepared, of state secrets not yet learned regarding events that have not yet occurred.

The gentleman puts in a saving provision as to certain documents, that is between diplomatic missions and the President and the foreign countries, he says those papers do not have to be turned over—I am quoting from the amendment—if the President shall have determined that the application of the subsections to that particular communication would not be in the public interest. So we have the President sitting up there assorting the diplomatic correspondence, because the President has to determine whether each particular communication should be sent to the congressional committees. As I say, this has come up time and again in the 18 years I have been here. Presidents have said as to certain classifications and papers that they are not to be shown to Congress.

A similar question is involved here today where a committee of Congress, the Foreign Affairs Committee, has military information which it is not in the public interest to disclose to the rest of the Members of the House. The Atomic Energy Committee constantly is in that situation, so is the Committee on the Armed Services and the Committee on Appropriations. But that is one of the things that goes along with the constitutional separation of power. An executive cannot be independent if somebody else has the right to look not only at his mail but at every scrap of memoranda that could conceivably be involved in the preparation of a particular matter. This would cover the CIA because a lot of information that comes from CIA is the basis for economic programs and development programs for various countries.

I hope the amendment will be defeated. If adopted it would certainly cripple this entire program. If adopted it would transgress the constitutional rule first invoked by President Washington.

Mr. MOSS. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, this is a most important amendment and I must disagree most emphatically with the statements made by the ranking minority member of the Committee on Foreign Affairs. This does not involve any broad constitutional questions, unless it is the right and the responsibility of this Congress to have the facts before it, to consider them carefully and to legislate on the basis of those facts, to require from the executive the necessary information in order that it fulfill its legislative responsibility.

I have been privileged for the past 10 months to serve as chairman of a subcommittee of the Committee on Government Operations studying this problem of the withholding of information from the Congress and from the American people. It is a very serious problem. There is evidence of increasing claims on the part of the executive departments that they have the right to determine the information the Congress shall receive. In effect, through the control of information they can closely control the actions of the Congress. If we are to act independently and intelligently we must have this information.

This amendment clearly grants to the President the right to withhold any in-

formation upon an affirmative finding that it is in the interest of the security of this Nation.

Mr. VORYS. He has to make a finding as to each paper, does he not?

Mr. MOSS. I think it is proper that he should have to make such finding.

I heard testimony days on end by executive agencies asserting the most broad and bold claims of authority to determine what the Congress may have in performing its legislative function, going beyond determining what we shall have and asserting the right to determine whether or not our request is for legislative purpose. We must through a device such as this reassert the right of the Congress to have the information which gives us the facts upon which to legislate. If we fail to do it with the processes which have been evolved over a period of a great many years, accelerated in the last 30 as the result of two World Wars and the Korean police action, we are going to find it is virtually impossible to get even the most elemental information without Executive censorship.

I wish that the members of this committee could be privileged to sit with us day in and day out in the slow process of digging the facts about the control, the asserted rights of the Executive over the information. A proprietary right is asserted in many instances.

A proprietary right is asserted in many instances, a right which, if left unchallenged by this Congress now, as I have indicated, can effectively cripple us. We are not asking for anything unreasonable. We are asking in this amendment only that the necessary information in connection with this program, which is a delegated authority of the Congress, be given us. It is a different case from that where President George Washington asserted the right to withhold papers in connection with the negotiation of a treaty. The President there was exercising a constitutional function. Here this function that we have given to the Executive is a constitutionally held power of the Congress to appropriate funds, and we have the right, in fact we have the responsibility, to know that every dollar we appropriate is spent, more or less at least, as we intend that it be spent. We have the right and the responsibility to the American taxpayers to tell them that we know the funds have been spent in an intelligent and effective manner. If we do otherwise, if we fail here to again clearly and definitely, without equivocation, assert our right to this information, then we have indeed stripped the Congress of a most important power in performing its legislative function.

Mr. Chairman, I hope sincerely that this amendment is adopted by the committee.

Mr. GROSS. Mr. Chairman, I rise in support of the amendment.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. HARDY. I just want to call attention to a couple of things the gentleman from Ohio [Mr. VORYS] had to



say a while ago with respect to this separation of power between the executive and the legislative. This amendment seeks to return to Congress some control over the power which it has delegated to the Executive. It does not seek to take away any constitutional power that the Executive has. It simply says "We are giving you discretion which belongs to us. We are delegating to you authority to determine the wisdom of a particular program, but in return for that you must establish a procedure by which we can find out just what you did with the money." That is all this amendment says. It does not require him to do a single thing that the Constitution does not already require him to do. But it says this: If you exercise this authority, then you must make the information available to the Congress, to the appropriate committees of Congress. I appreciate the gentleman's permitting me to clear this point up.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

(Mr. MEADER asked and was given permission to revise and extend his remarks.)

Mr. MEADER. Mr. Chairman, I was very disturbed to hear the statement by the gentleman from Ohio, because I have great respect for his legal ability and particularly as a constitutional lawyer. I am afraid that he has not gone into this subject nearly as thoroughly as he should have before he made that statement, and I hope he never has occasion to regret it. If, sometime, when he may be chairman of the Committee on Foreign Affairs, he is denied information as chairman of that committee to which he thinks he should have access, I hope he will not have these words that he uttered today flaunted in his face as an assertion that he is at the mercy of the executive branch of the Government for the amount of information he can obtain. This is a basic question. I had the privilege of sitting on the Moss committee hearings. Every Member should be interested in this issue. Are you going to be denied the information which you believe as a committee you have all the right in the world to have? Are you going to be at the mercy of some bureaucrat so that he can decide whether you ought to know or not, whether Congress can be entrusted to have the information? That is how basic it is. And, I hope the committee today will not by a record vote here abdicate its constitutional authority to legislate and to have the facts upon which it can legislate intelligently.

Let me say that there is not Supreme Court decision where a subpoena was served by a congressional committee upon an executive officer and he refused to obey the subpoena. I can recall when Senator Truman was chairman of the Truman Committee at least twice he

served subpoenas on the Attorney General of the United States, yet when he got down to the other end of Pennsylvania, what did he do? He said to the executive branch generally, if they did not want to give Congress any information, to give it to him and then see if Congress could get it. I do not mind the President taking that position, but hate to see us in Congress admit that we are powerless when some bureaucrat wants to deny us information. All this amendment says is that appropriate committees of Congress shall have available the information they need to conduct their operations, subject to appropriate safeguards on matters of security.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. FASCELL] for 2½ minutes.

Mr. FASCELL. Mr. Chairman, I would like to point out and to emphasize again that this amendment proposed to this bill is one of the most important things that this committee could undertake to consider with respect to this authorization. It does more to assist the committee in passing judgment upon the program than any single thing we could possibly do. I sat here for 3 days and heard committeeman after committeeman say, "I am not sure that I got all the facts." Well, for goodness sake, if the committee does not know, how in the world am I expected to know if I do not serve on that committee?

All this amendment does is this. It does not take a single thing away from the President. It says that the committee shall have the information when it requests it but that if the President of the United States feels that it is to the best interests of this country not to disclose that information to a committee of Congress then it shall not be disclosed.

We are not printing handbills and throwing them out the window to the Russians. We are talking about a committee of Congress sitting in executive session. If you cannot trust them, whom can you trust?

Let us read some of this gobbledy-gook that came down about what would happen to this program if this amendment were adopted. Have you ever heard anything more ridiculous than this?

The issuing of advance instructions of this nature would not be consonant with the President's responsibilities under the Constitution in the field of foreign affairs and as Commander in Chief. Such instructions would provide for the automatic disclosure of papers not yet prepared and State secrets not yet learned regarding events which have not yet occurred.

How in the world could they give information to the committee if they did not themselves know it? So their whole argument falls flatter than the pancake that it was written with.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman.

Mr. JOHANSEN. I should like to ask one question, as to whether the gentleman will agree that this problem with respect to the bureaucracy has existed for more than 3 years.

Mr. FASCELL. I am very willing to agree that it has existed for a long, long time and if Congress does not act now it will continue to exist for next 176 years.

Mr. JOHANSEN. I thank the gentleman.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman.

Mr. YATES. Is not the amendment in line with the very eloquent speech the chairman of the committee made yesterday looking to the separation of the powers of Government and giving the Congress of the United States the same powers that the President has?

Mr. FASCELL. I thank the gentleman very much for that observation. I forgot to mention it in my statement. I cannot think of anything that would complement the chairman's remarks any more than the adoption of this amendment.

The CHAIRMAN. The time of the gentleman from Florida has expired.

The Chair recognizes the gentleman from California [Mr. SISK] for 2½ minutes.

Mr. SISK. Mr. Chairman, I rise in support of this amendment. Of course, one of the things that I had in mind was that very eloquent speech made by the chairman of the Committee on Foreign Affairs yesterday with reference to this very matter, and which has been so ably presented by the gentleman from Florida.

I think the time has come when we who are Members of Congress must assert our right to have this type of information, particularly such information as I was questioning the gentleman from Ohio about yesterday, information he never did give me. He never even gave me any reason for not giving me some of the answers that we as Members of Congress should have before spending billions of dollars all over the world.

Certainly, as I understand the proposed amendment that we have here, there is not any violation of constitutional powers nor does it in anyway affect the constitutional power of the President of the United States. It simply reasserts the rights of Members of Congress and certainly, as has been so adequately said, if they cannot be trusted, then who in American can be trusted?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Illinois.

Mr. YATES. As a matter of fact, would not this amendment be for the benefit of members of the Committee on Appropriations who must appropriate money of this type? If the gentleman will recall last year, when the Committee on Appropriations came to the floor, it learned that the Air Force had hundreds of millions of dollars under this program that it did not know it had. It gave the Committee on Appropriations that information later.

Mr. SISK. Mr. Chairman, it comes right down to the question as to how the Congress of the United States is to work its will and to appropriate money equit-



ably without information which a group of bureaucrats have decided to deny them and have been denying them, I might say, for a number of years.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Michigan.

Mr. MEADER. The gentleman said that the Congress could be trusted. I would like to ask him if this refusal to give information to the Congress is not based upon the implication that they cannot be trusted. And I would like to ask the gentleman further if he can cite one example where a secret was given to the enemy through a congressional committee or by a Member of Congress, and can he not cite plenty of instances where they have gotten them from one of the executive branch of the Government.

Mr. SISK. Mr. Chairman, I certainly agree with what the gentleman says. Certainly it is indicated that there are some people in the executive branch of the Government who do not trust United States Members of Congress if we consider their denial of information which is so vital to the Members of Congress in order properly to carry out the duties and obligations of their office.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS] for 2½ minutes to close the debate on this amendment.

Mr. RAYBURN. Mr. Chairman, will the gentleman from South Carolina yield to me?

Mr. RICHARDS. I am glad to yield to the distinguished Speaker.

Mr. RAYBURN. Mr. Chairman, with the consent and the cooperation of the gentleman from Massachusetts [Mr. MARTIN], who has been Speaker of the House, I should like to say that this thing of having the executive department of the Government report to the committees of Congress instead of the Congress, I think is very, very bad.

Mr. MARTIN. Mr. Chairman, will the gentleman from South Carolina yield to me?

Mr. RICHARDS. I yield to the distinguished gentleman from Massachusetts.

Mr. MARTIN. Mr. Chairman, I might say that we have discussed this on previous occasions and we both agree.

Mr. RICHARDS. Mr. Chairman, I thank the distinguished Speaker and the distinguished majority leader.

I have the greatest affection and admiration for my friend from Virginia and my committee has tried to cooperate with his committee. But I really think that this is a dangerous amendment. You cannot get around the Constitution; that is all there is to it. And there is a long line of precedents and clear cut court decisions saying that the legislative branch has no right to demand information of this kind. This language requires them to produce everything, even a secret agreement with the kingdom of utopia.

The gentleman mentions our jealousy about our rights. Certainly a great many of us stated yesterday our jealousy of congressional rights and our determination to protect them against the executive. But this is a case of the legis-

lative branch trying to invade the executive field. I am just as jealous of the executive's rights under the Constitution as I am of the rights of the legislative branch. Under our Government, if the President is violating his duty by refusing to release papers that Congress should have, he can be impeached. But so far as demanding that the President turn over to a committee of Congress everything he has, that is a dangerous thing.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Indiana.

Mr. HALLECK. The fact of the matter is that the speech the gentleman made yesterday is directly in line with the position he takes here now. He argued yesterday for the separation of powers. The issue here involved is the continuation of the separation of powers and the executive prerogatives.

Mr. RICHARD. The gentleman is 100 percent right. We are arguing for the same principle today that we did yesterday.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARDY].

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 37, noes 74.

So the amendment was rejected.

The Clerk read as follows:

SEC. 9. Title V, chapter 2, of the Mutual Security Act of 1954, as amended, which relates to organization and administration, is further amended as follows:

(a) In section 521, which relates to delegation of authority by the President, after "subsection (b)" in subsection (a), insert "and section 413 (b) (4)."

(b) Amend section 522, which relates to allocation and reimbursement among agencies, as follows:

(1) Add the following at the end of subsection (b): "The Administrator of General Services is authorized to maintain in a separate consolidated account, which shall be free from fiscal year limitations, payments received by the General Services Administration for administrative surcharges in connection with procurement services performed by the General Services Administration in furtherance of the purposes of this act. Such payments shall be in amounts mutually acceptable to the General Services Administration and the agency administering nonmilitary assistance, and these amounts shall be available for administrative expenses incurred by the General Services Administration in performing such procurement services."

(2) Add the following new subsection:

"(f) Any appropriation made to carry out the provisions of this act may initially be charged, within the limits of available funds, to finance expenses for which funds are available in other appropriations made under this act: *Provided*, That as of the end of the same fiscal year such expenses shall be finally charged to applicable appropriations with proper credit to the appropriations initially utilized for financing purposes."

(c) In section 530, which relates to experts and consultants or organizations thereof, insert before the period at the end of subsection (a) the following: "": *Provided*, That contracts for such employment with such organizations may be renewed annually."

(b) In section 532, which relates to exemption of personnel from certain Federal

laws, add the following at the end of subsection (a): "Contracts for the employment of retired military personnel as experts or consultants under section 530 (a) may be renewed annually, notwithstanding section 15 of the act of August 2, 1946 (5 U. S. C. 55a)."

(e) Amend section 535, which relates to cooperation with international organizations, as follows:

(1) Insert "Nations and" after "With" in the title.

(2) Amend subsection (b) to read as follows:

"(b) Whenever the President determines it to be in furtherance of the purposes of this act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, and on request of nations, are authorized to furnish nonmilitary supplies, materials, and services, to such organizations and nations on an advance of funds or reimbursement basis. Such advances, or reimbursements which are received under this subsection within 180 days after the close of the fiscal year in which such supplies, materials, and services are delivered, may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used."

(f) Add the following new section:

"SEC. 537. Provisions on uses of funds:

"(a) Appropriations for the purposes of this act (except for chapter 1 of title I and section 124), allocations to any United States Government agency, from other appropriations, for functions directly related to the purposes of this act, and funds made available for other purposes to any agency administering nonmilitary assistance, shall, except as may subsequently be otherwise provided by law, be available for the purposes specified in section 102 of the Mutual Security Appropriation Act, 1956 (subject each fiscal year to the limitations on the amounts of funds which can be used for such purposes), in section 2 of Public Law 495, 83d Congress (with respect to the remains of persons or members of the families of persons who may die while away from their homes participating in activities under this act or other acts directly related to the purposes of this act), and in section 902 of the Foreign Service Act of 1946, as amended (with respect to chiefs of mission appointed pursuant to section 526 of this act), and for the purchase of passenger motor vehicles: *Provided*, That passenger motor vehicles for administrative purposes may be purchased only as specified in section 102 of the Mutual Security Appropriation Act, 1956, or as specifically otherwise provided by law.

"(b) United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program."

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 16, strike out line 24, and on page 17, strike out all of lines 1 through 6.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.



The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. GROSS. Mr. Chairman, my amendment would strike out the provision which reads as follows:

United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program.

May I ask this question of the chairman of the committee: Why do we pay for health and accident insurance for foreigners who are coming to this country or in this country?

Mr. RICHARDS. I will answer the gentleman by reading from a paragraph on page 45 of the report:

Health and accident insurance for foreign trainees: This subsection authorizes the payment from applicable appropriations of health and accident insurance premiums for foreign participants while they are away from their homes engaging in any exchange-of-persons program or a program of furnishing technical information and assistance. It does not include military personnel participating in military assistance training programs.

That is the best answer I can make to the question. It is good insurance at a good rate, on good risks, and it will save money in the long run.

Mr. GROSS. Can the gentleman tell me how many foreigners are covered by this sort of insurance?

Mr. Chairman, I know of no reason in the world why as a condition of coming to this country these foreigners, when they obtain a visa, a passport, or whatever credentials they have to obtain, should not take out a health insurance policy themselves rather than saddle this load upon the American taxpayers. They come to this country with a per diem allowance and certainly they should pay for their own insurance.

I will be surprised if this amendment is adopted, but I submit it nevertheless. I have learned during this debate that nothing is too good for foreigners when the freewheeling spenders have their hands in the taxpayers' pockets. Let the record show that I have tried again to save at least a few dollars.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The Clerk read as follows:

SEC. 10. Title V, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to repeal and miscellaneous provisions, is further amended as follows:

(a) Amend section 544, which relates to amendments to other laws, by adding the following new subsections:

"(c) In section 4 of the act of May 26, 1949 (63 Stat. 111, 5 U. S. C. 151c), insert after the words 'such functions' the following: 'including if he shall so specify the authority successively to redelegate any of such functions.'

"(d) In the first sentence of section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), after 'any agency thereof', insert 'including

amounts received in repayment of principal or interest on any loan made under section 505 (b) of the Mutual Security Act of 1954, as amended.'

"(e) Section 933 of the Foreign Service Act of 1946, as amended (22 U. S. C. 1148), is hereby amended by inserting after 'continental United States' where it appears in both subsection (a) and subsection (b) of that section 'its Territories and possessions.'

"(f) Section 1441 (c) of the Internal Revenue Code of 1954 is hereby amended by inserting after paragraph (5) the following new paragraph:

"(6) Per diem of certain aliens: No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the United States Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.'

"(g) Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442), is amended by inserting '(a)' before 'The Director', by deleting everything after the words 'national interests of the United States', by inserting a period at that point, and by inserting the following new subsections:

"(b) The Director is authorized to assume the obligation of not to exceed \$28,000,000 of the notes authorized to be issued pursuant to subsection 111 (c) (2) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (c) (2)), together with the interest accrued and unpaid thereon, and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.

"(c) The Director is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413 (b) (4) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the Director less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).

"(d) Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties.

"(e) Notwithstanding the provisions of subparagraph 413 (b) (4) (E) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and (2) the Director may require the payment of a minimum charge of up to \$50 for issuance of guaranty contracts, or amendments thereto.

"(f) The Director is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: *Provided*, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within 9 months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.

"(g) As soon as feasible after the enactment of this subsection, all assets, liabilities,

income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that act, shall be accounted for separately from other guaranties issued pursuant to subsection 413 (b) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b)): *Provided*, That there shall be transferred from the special account established pursuant to subsection (a), into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and used to make payments under informational media guaranties.'

(b) Amend section 545, which relates to definitions, as follows:

(1) Add at the end of subsection (h) the following: "Notwithstanding the foregoing provisions of this subsection (h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the mutual defense assistance program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability, that the term 'value' (except in the case of excess equipment or materials) shall mean—

"(1) the price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or

"(2) where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value."

(2) Add the following new subsections:

"(j) The term 'agency administering non-military assistance' shall refer to any agency to which authorities and functions under chapter 3 of title I, title II, title III, or title IV of this act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this act.

"(k) The term 'officer administering non-military assistance' shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this act."

(c) In section 548, which relates to unexpended balances, strike out "heretofore", substitute "1957" for "1956", and strike out the colon and the remainder of the sentence following "act" the second time it appears and insert a period.

(d) Add the following new section:

"SEC. 550. Special provision on availability of funds: An amount equal to 25 percent of the funds authorized to be appropriated for any fiscal year for purposes of chapter 3 of title I, title III, or section 403 of this act is authorized to be continued available for 3 months beyond the end of the fiscal year for which appropriated."

#### FOREIGN RESEARCH REACTOR PROJECTS

SEC. 11. (a) As one means of furthering peaceful uses of atomic energy on an international basis, there is hereby authorized to be appropriated to the President for the fiscal year 1957 not to exceed \$5,950,000 for use by the President, on such terms and conditions as he may specify, for research reactor projects undertaken or authorized by foreign governments which shall have entered into agreements for cooperation with the Government of the United States concerning the peaceful uses of atomic energy.

(b) Nothing in this section shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1954.



(c) The United States share of the cost of any reactor made available to another government or to other governments shall not exceed \$350,000.

(d) In carrying out the purposes of this section the Director, the Atomic Energy Commission, and other United States departments and agencies shall give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the United States. Such portions of the equipment furnished under this section as may be appropriately die-stamped as a product of the United States shall be so stamped.

Mr. RICHARDS (interrupting the reading). Mr. Chairman, I ask unanimous consent that the rest of the bill be considered as read and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HAYS of Arkansas. Mr. Chairman, I move to strike out the last word.

[Mr. HAYS of Arkansas addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. HAYS of Arkansas asked and was given permission to revise and extend his remarks.)

Mr. ANFUSO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANFUSO: Page 23, after line 21, add the following new section:

#### "FREE WORLD ORGANIZATION

"SEC. 12. (a) There is hereby created as an agency of the United States of America a body corporate with the name of 'The Free World Organization' (in this section called the 'Organization').

"(b) The purposes of this corporation are (1) to further the general welfare of, and to strengthen friendship and understanding between, the American people and the peoples of the world, (2) to aid people desiring freedom and independence to achieve that goal, and (3) to assist the forces of freedom throughout the world, through collaboration with governments and governmental agencies and individuals, corporations, private agencies, and other bodies of private persons in planning, initiating, assisting, financing, administering, and executing plans, programs, and projects, especially in the cultural, agricultural, educational, social and political fields.

"(c) The Organization, as a corporation—

"(1) Shall have succession for a period of 5 years unless sooner dissolved by an act of Congress.

"(2) May adopt, alter, and use a corporate seal, which shall be judicially noticed.

"(3) May make and perform contracts with any individual, corporation, or other body of persons however designated, whether within or without the United States of America, and with any government or governmental agency, domestic or foreign.

"(4) Shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid.

"(5) May as necessary for the transaction of the business of the Organization, employ officers, employees, agents, and attorneys in accordance with the provisions of the civil-service and classification laws, except that the Organization may, without regard to the civil-service and classification laws, employ, and fix the compensation of, officers, em-

ployees, agents, and attorneys of the Organization employed for service outside the continental limits of the United States: *Provided*, That the salary of any person thus employed shall not exceed the maximum salary established by the classification laws, and that the Organization may require bonds of any employee and pay the premiums of such bonds: *Provided further*, That no person who is a citizen of the United States shall be employed under authority of this paragraph (5) until such person has been investigated by the Federal Bureau of Investigation: *Provided further*, That no person not a citizen of the United States shall be employed under authority of this paragraph (5) for service in any country of which such person is not a citizen except with the approval of the Central Intelligence Agency.

"(6) May acquire by purchase, devise, bequest, or gift, or otherwise, lease, hold, and improve such real and personal property as it finds to be necessary to its purposes, whether within or without the United States, and in any manner dispose of all such real and personal property held by it and as general funds all receipts arising from the disposition of such property.

"(7) Shall be entitled to the use of the United States mails in the same manner and on the same conditions as the executive departments of the Government.

"(8) May, with the consent of any board, corporation, commission, independent establishment, or executive department of the Government, including any field service thereof, avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this section.

"(9) May accept money, funds, property, and services of every kind by gift, devise, or bequest, or grant, or otherwise, and make advances and grants to any individual, corporation, or other body of persons, whether within or without the United States of America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the Organization in furtherance of its purposes.

"(10) May sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction.

"(11) Shall have such other powers as may be necessary and incident to carrying out its powers and duties under this section.

"(d) Upon termination of the corporate life of the Organization all of its functions shall be liquidated and, thereafter, unless otherwise provided by Congress, the assets shall be transferred to the United States Treasury as the property of the United States.

"(e) (1) The management of the Organization shall be vested in a board of directors (hereinafter referred to as the 'Board'), 9 in number, 5 of whom shall be appointed by the President with the advice and consent of the Senate, 2 of whom shall be Members of the House of Representatives, 1 from each of the 2 major political parties, appointed by the Speaker of the House of Representatives, and 2 of whom shall be Members of the Senate, 1 from each of the 2 major political parties, appointed by the Vice President of the United States.

"(2) The President shall designate one Director as Chairman of the Board.

"(3) The Directors shall hold office at the pleasure of the President.

"(4) The Directors shall receive no additional compensation for their services as Directors, but may be allowed actual necessary traveling and subsistence expenses incurred by them in the performance of their duties as Directors.

"(5) The Board shall direct the exercise of all the powers of the Organization.

"(6) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Organization may be conducted and in

which the powers granted to it by law may be exercised and enjoyed: *Provided*, That a majority of the Board shall be required as a quorum.

"(7) In furtherance and not in limitation of the powers conferred upon it, the Board may appoint such committees for the carrying out of the work of the Organization as the Board finds to be in the best interests of the Organization, each committee to consist of two or more of the Directors, which committees, together with officers and agents duly authorized by the Board and to the extent provided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the Organization.

"(f) The Organization shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its Directors, officers, and employees, and such revenue, earnings, or other income, or property, shall be used for the carrying out of the corporate purposes herein set forth. No Director, officer, or employee of the Corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his personal interests or the interests of any corporation, partnership, or organization in which he is directly or indirectly interested.

"(g) When approved by the Organization, in furtherance of its purposes, the officers and employees of the Organization may accept and hold offices or positions to which no compensation is attached with governments and governmental or private agencies of the other nations.

"(h) The President shall have authority to detail employees of the executive branch of the Government to the Organization under such circumstances and upon such conditions as he may determine: *Provided*, That any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail.

"(i) The principal office of the Organization shall be located in the District of Columbia, but there may be established agencies, branch offices, or other offices in any place or places within the United States or within any other country in any of which locations the Organization may carry on all or any of its operations and business under bylaws or rules and regulations.

"(j) The Organization, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any Territory, dependency, or possession thereof, or by any State, County, municipality, or local taxing authority. Any contribution or gift made by a taxpayer to or for the use of the Organization shall, for purposes of subtitle A of the Internal Revenue Code of 1954, be considered a charitable contribution (as defined in section 170 (c) of such code) and allowed as a deduction from gross income under section 170 (a) of such code without regard to any of the limitations contained in section 170 (b) of such code.

"(k) The right to alter, amend, or repeal this section is hereby expressly reserved. If any clause, sentence, paragraph, or part of this section shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this section, but shall be confined in its operations to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

"(1) The Organization shall be subject to the provisions of the Government Corporation Control Act (Public Law 248, 79th Cong.).



"(m) There are authorized to be appropriated, at a rate not to exceed \$100 million annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this section. "(n) This section may be cited as the 'Free World Organization Act.'"

Mr. RICHARDS (interrupting the reading of the amendment). Mr. Chairman, I wonder if the gentleman—

Mr. ANFUSO. Mr. Chairman, I waive further reading of the amendment but ask unanimous consent that it may be printed in full in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANFUSO. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes to explain the amendment.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, the gentleman does not mean he wants 5 additional minutes at this time, does he?

Mr. ANFUSO. Yes, I do; I want 10 minutes in all.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield.

Mr. RICHARDS. I would just like to say that the gentleman's amendment is very extensive. I realize that the gentleman has made very extensive studies of this question but the Foreign Affairs Committee has not been able to go into it fully.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 12 minutes.

Mr. GROSS. Mr. Chairman, reserving the right to object, I would like 15 seconds to ask the gentleman 1 question.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 12 minutes and 15 seconds.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. ANFUSO. Mr. Chairman, the purpose of my amendment is to carry out the intention of Congress as expressed in section 7 of this act.

I want to make it clear at the beginning of my remarks that I believe in foreign aid as a necessary part of our national security, but I do not believe in wasting the American taxpayers' money. I wish to thank my good friend, Chairman RICHARDS, of the Foreign Affairs Committee, and all of the members of that committee who worked diligently on this bill, and I sincerely hope that they will, as well as all the other Members of the House, give serious consideration to the remarks I am about to make.

For a long time I have felt that our foreign-aid program has been in many respects haphazard and that it has not gained for us the friends and allies we had hoped to gain through it. Many countries have accepted our money and our aid which, since July 1, 1943, has amounted to over \$54 billion in grants—equivalent to about \$323 for every American man, woman, and child—and yet some of these countries have either become Communist or Communist sympathizers. Yugoslavia stands out as a sore thumb in my mind and I am glad of the stand we took today.

I ask my colleagues how do you think other countries, or better still, how do you think organizations and people in other friendly countries feel when we give more aid to our enemies than we do to our friends? The answer is simple. They think we are just plain stupid.

Now I do not believe in giving anything away—not even to our friends. We are engaged in a death struggle which is serious business and we must, therefore, be practical at all times, and not give away one single dollar unless we get a return for it. Frankly, I would not give Tito anything because I do not trust him. I will vote for this additional help if the President wants it, but I wish to make it crystal clear that Mr. Tito should not receive one red cent more until he at least manifests a feeling of neutrality. Perhaps it might be a good idea to invite him here and show him the facts of life. His acceptance of such an invitation extended either by the President of the United States or the Secretary of State could be made advantageous to us from a propaganda point of view.

Remember my friends, Soviet Russia, as you very well know, has never given anything away. Before she makes a grant or sells arms or machinery she demands stiff concessions even from her satellites, and in all cases makes certain that she obtains her pound of flesh.

I believe that for the future security of our country and the world, we must adopt a more realistic attitude in our foreign-aid program. The best way I know of doing this is to pass the amendment I have proposed to aid the people and certain organizations in foreign countries who have demonstrated their friendship to us and their opposition to communism. To do otherwise is foolhardy and a waste of our taxpayers' money. The amendment I propose will authorize the President of the United States to extend direct aid to our friends and organizations in foreign countries who are allied with us and who are bent on preventing the spread of communism.

This is American aid given by Americans to Americans to be distributed among our friends who are joined in the cold war against Soviet Russia.

That is the way Russia is fighting the cold war, by giving her aid to Communists to be distributed among those people in a country willing to adopt their philosophy and work against the best interests of the United States.

Some people may perhaps say that this amounts to interference with the internal policies of other countries, but as I have

said Soviet Russia has been doing exactly that ever since World War II ended. She has been giving direct aid to the Communist parties and Communist front organizations in Italy, France, Germany, India, and many other countries.

Only a fool or a Communist would protest our fighting fire with fire. Foreign policy must envision the times. What was acceptable 100 years ago may not be suitable today, especially when our potential enemies have developed entirely different tools of operation.

Some of our American newspapers conscious of the developments throughout the world have asked these questions:

First. Does our foreign-aid program provide adequate means of meeting the new Soviet economic charge?

Second. Are parts of it geared to an outmoded concept?

Third. Are we using the right methods—the right tools?

Foreigners regard Americans as great businessmen, especially when it comes to developing individual enterprises, but they are not regarded as good businessmen when it comes to handling the great business of our country.

Now for the amendment which I have proposed, there is ample precedent. In the 80th Congress we passed Public Law 361, creating the institute of inter-American affairs, establishing a similar corporation "to further the general welfare of and to strengthen friendship and understanding among the peoples of the American Republics."

Throughout the world Soviet Russia is financially supporting newspapers and periodicals to carry out an effective program against the United States and to win peoples and countries over to them. We certainly can do a similar job and I am certain that the free world organization which I propose be created will attract private capital to assist in the support of newspapers and periodicals in foreign countries espousing the cause of freedom. The free world organization can assist private organizations spreading the culture of a free people. In the long run the free world organization will more than support itself and lessen the burden of the American taxpayer. The funds expended will be directed exclusively against our common enemy, and not a single penny will be wasted. It will give stability and strength to our Allies. The entire world will have greater respect for us for being more realistic and practical. The friends we have will remain with us and we will make new friends at all times.

In conclusion, I wish to state that I do not want to be critical of this administration or any past administration. Every President of the United States is, first of all, an American President and he wishes to do the right thing at all times. It is for this reason that I regard it as absolutely safe to place the control of the free world organization in the hands of the Chief Executive who, as the amendment provides, has full authority to detail employees of the executive branch to the organization under such conditions as he may determine.



Another thing my amendment does is to give Congress a "look-in" in these foreign-aid programs because it provides for membership on the 9-member board of 2 Senators and 2 Representatives, 1 of each political party.

Members of Congress should have a "look-in" on these programs because besides being statesmen, as I know you are, you are also practical politicians. If the methods you use to get elected can be applied in other countries to elect leaders sympathetic to our cause the security of the United States and the world will be further guaranteed.

I urge my colleagues not to treat this amendment lightly, but to debate it as long as possible. Our people realize, perhaps more than we think, that the Communists are fighting for keeps and either our way of life or theirs will prevail. If we can destroy Communist philosophy and thinking through effective grants and propaganda, we can prevent the final showdown without the necessity of another world war which, as we all know, would be destructive of all mankind.

I ask of the chairman that this amendment be not treated lightly. It should have been fully debated, because if we can destroy Communist philosophy through effective grants and propaganda, such as this provides, we can prevent the final showdown without the necessity of another world war, which, as we all know, would be destructive of all mankind.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I want to compliment my colleague on the thought and the work he put into this proposal. I think it is worthy of further consideration by the committee and the Congress.

Mr. ANFUSO. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Iowa.

Mr. GROSS. We have heard these words "free world" kicked around all over the lot for the last several days. Just what is the free world?

Mr. ANFUSO. Well, I think I explained that a free world is the kind of a world that fits our form of government as against communism.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I assure my dear friend from New York that his amendment will not be treated lightly. It will be taken into consideration and studied by the Committee on Foreign Affairs. But it covers so much territory that I am sure we could not properly consider it here this afternoon, certainly not sufficiently to endorse it and place it in this bill. But I do want to commend the gentleman for his thinking and for his work.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from New York.

Mr. ANFUSO. Would you promise to consider it soon? I do want you to consider it properly.

Mr. RICHARDS. I do not want to get tied up in too many promises, but I assure you it will be considered by the Committee on Foreign Affairs. I assure you of that.

Mr. ANFUSO. And that it will be considered soon; not next year but during this session?

Mr. RICHARDS. And will be considered soon.

Mr. ANFUSO. All right.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, pursuant to House Resolution 515, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until Monday next, when it will be the first order of business.

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, is the request of the gentleman from Massachusetts to go over until Monday next?

Mr. McCORMACK. Yes; that is in accordance with the understanding.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### INCREASING BASIC COMPENSATION OF CERTAIN EMPLOYEES

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 533) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That, effective June 1, 1956, the basic compensation of the Official Committee Reporters, House of Representatives, shall be at the rate of \$8,300 per annum;

2. The basic compensation of the Assistant Chief Telephone Operator shall be at the rate of \$2,580 per annum;

3. The basic compensation of the Administrative Assistants to the Speaker, majority leader, minority leader, majority whip, and minority whip shall be at the rate of \$8,800 per annum;

4. The basic compensation of the Cashier, office of the Sergeant at Arms, shall be at the rate of \$7,000 per annum; (2) the basic compensation of the two Assistant Bookkeepers, office of the Sergeant at Arms, shall be at the rate of \$3,800 per annum; and (3) the basic compensation of the Stenographer, office of the Sergeant at Arms, shall be at the rate of \$3,000 per annum;

5. The position of Doorman (16), office of the Doorkeeper, shall be designated as Super-

visor of the Pages' Cloak Room, and the basic compensation of such position shall be at the rate of \$2,500 per annum.

6. The additional amounts necessary to carry out the provisions of this resolution shall be paid out of the contingent fund of the House until otherwise provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill under consideration today.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

#### AMENDING THE ACT OF JUNE 22, 1948

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2967) to amend the act of June 22, 1948 (62 Stat. 568), and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That, except as herein-after provided, the provisions of the act approved June 22, 1948 (62 Stat. 568), are hereby extended and made applicable to the following described lands:

Township 61 north, range 6 west, fourth principal meridian: Sections 5 to 8, inclusive; west half section 4; west half section 9.

Township 61 north, range 7 west, fourth principal meridian: Sections 1 to 12, inclusive.

Township 61 north, range 8 west, fourth principal meridian: Sections 3 to 8, inclusive.

Township 61 north, range 9 west, fourth principal meridian: Sections 1 to 12, inclusive.

Township 61 north, range 10 west, fourth principal meridian: Sections 1, 2, 11, and 12.

Township 62 north, range 3 west, fourth principal meridian: West half of section 3; sections 4 to 9, inclusive.

Township 62 north, range 4 west, fourth principal meridian: Sections 1 to 6, inclusive; sections 8 to 15, inclusive.

Township 62 north, range 5 west, fourth principal meridian: Sections 1 to 24, inclusive.

Township 62 north, range 6 west, fourth principal meridian: Sections 1 to 20, inclusive; north half section 21; sections 22 to 24, inclusive; sections 29 to 32, inclusive.

Township 62 north, range 7 west, fourth principal meridian: Entire township.

Township 62 north, range 8 west, fourth principal meridian: Sections 1 to 34, inclusive; north half section 35; north half section 36.

Township 62 north, range 9 west, fourth principal meridian: Entire township.

Township 62 north, range 10 west, fourth principal meridian: Sections 1 to 6 inclusive; sections 8 to 17, inclusive; sections 21 to 28, inclusive; sections 33 to 36, inclusive.

Township 62 north, range 11 west, fourth principal meridian: Sections 1 and 2.

Township 63 north, range 1 west, fourth principal meridian: Sections 4 to 9, inclusive; sections 16 to 21, inclusive.

Township 63 north, range 2 west, fourth principal meridian: Sections 1 to 4, inclu-



sive; sections 9 to 16, inclusive; north half of section 17; north half of section 18; sections 21 to 24, inclusive.

Township 63 north, range 3 west, fourth principal meridian: North half section 13; north half section 14; north half, southwest quarter section 15; sections 16 to 21, inclusive; west half section 22; west half section 27; sections 28 to 33, inclusive; west half section 34.

Township 63 north, range 9 west, fourth principal meridian: Lot 3, section 15; lots 4, 6, 7, 8, 10, 11 and 12 section 16; lots 6 and 7 section 19.

Township 63 north, range 10 west, fourth principal meridian: Section 6, north half section 7; lots 7 and 8 section 24; northeast quarter, lots 1, 3, and 4, southwest quarter southwest quarter, east half southwest quarter, southeast quarter, section 25; lots 5, 6, 7, 8, 9, 10, southeast quarter southeast quarter section 26; lots 3 to 6, inclusive, lot 8, southwest quarter, southwest quarter southeast quarter section 27; lots 5 to 8, inclusive, south half section 28; lots 5 to 8, inclusive, south half section 29; lots 10 to 14, inclusive, southeast quarter southeast quarter section 30; sections 31 to 36, inclusive.

Township 63 north, range 11 west, fourth principal meridian: Sections 1 to 4, inclusive; north half of sections 9 to 12, inclusive; lots 9 to 12, inclusive, section 25; lots 5 and 6, section 26; section 35 except lot 3; section 36.

Township 63 north, range 13 west, fourth principal meridian: Sections 5, 7, and 18.

Township 63 north, range 14 west, fourth principal meridian: Sections 12, 23, and 24.

Township 64 north, range 1 east, fourth principal meridian: Lot 15, section 5.

Township 64 north, range 1 west, fourth principal meridian: Sections 21, 22, 27, 28, 33, and 34.

Township 64 north, range 2 west, fourth principal meridian: South half of sections 3 to 6, inclusive.

Township 64 north, range 3 west, fourth principal meridian: South half of sections 1 to 4, inclusive; sections 5 and 6.

Township 64 north, range 4 west, fourth principal meridian: Sections 1 to 5, inclusive; sections 8 and 9.

Township 64 north, range 9 west, fourth principal meridian: North half of sections 25 to 30, inclusive.

Township 64 north, range 10 west, fourth principal meridian: Sections 19 to 24, inclusive; north half of sections 25, 26, and 27; sections 28 to 33, inclusive.

Township 64 north, range 11 west, fourth principal meridian: Sections 8, 17, 21, to 28, inclusive; sections 33 to 36, inclusive.

Township 64 north, range 13 west, fourth principal meridian: Sections 14 and 23; north half northwest quarter, southwest quarter northwest quarter section 26; section 27.

Township 65 north, range 3 west, fourth principal meridian: Section 18.

Township 65 north, range 4 west, fourth principal meridian: South half section 6; sections 7, 18, 19, and 30.

Township 65 north, range 5 west, fourth principal meridian: Sections 1 to 5, inclusive; sections 8 to 17, inclusive.

Township 65 north, range 12 west, fourth principal meridian: Sections 18, 19, 28, 29, 32, and 33.

Township 65 north, range 13 west, fourth principal meridian: Sections 4 to 9, inclusive; sections 13, 14, 16, 17, and 24.

Township 65 north, range 14 west, fourth principal meridian: Sections 1 to 3, inclusive.

Township 66 north, range 4 west, fourth principal meridian: Sections 4 to 8, inclusive; sections 17 to 20, inclusive.

Township 66 north, range 5 west, fourth principal meridian: Section 1; sections 3 to 7, inclusive; sections 10 to 15, inclusive; sections 21 to 29, inclusive; sections 32 to 35, inclusive; west half section 36.

Township 66 north, range 14 west, fourth principal meridian: Sections 29 and 30.

Township 66 north, range 15 west, fourth principal meridian: Sections 18 and 19; sections 25 to 30, inclusive.

Township 66 north, range 16 west, fourth principal meridian: Sections 13, 24, and 25.

Township 67 north, range 4 west, fourth principal meridian: Entire township.

Sec. 2. With respect to the lands described in section 1 of this Act, the second proviso of section 5 of the aforementioned Act of June 22, 1948, is hereby revised to read as follows: "Provided further, That the first payment to the State of Minnesota under the provisions of this section shall be due at the close of the fiscal year 1959."

Sec. 3. Section 6 of the aforementioned Act of June 22, 1948, is hereby amended by striking the figure "\$500,000" and inserting in lieu thereof the figure "\$2,500,000."

The bill was ordered to be read a third time, was read the third time and passed and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

#### KLAMATH TERMINATION ACT

(Mrs. GREEN of Oregon asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. GREEN of Oregon. Mr. Speaker, I have today introduced two bills, H. R. 11659 and H. R. 11660, to amend Public Law 587, 83d Congress, the Klamath Termination Act. The Klamath Reservation is not in my district. However, as an Oregonian and a member of the Indian Affairs Subcommittee of the House Committee on Interior and Insular Affairs, I am vitally concerned that the termination of the United States trusteeship for the Klamath Indians be accomplished as well and as wisely as possible and that the welfare of the Indians be served to the fullest measure.

The objectives of both these bills have been approved by the executive committee of the Klamath Tribe. They have the support and approval of the tribal attorneys. I should like to include at the end of my remarks copies of the two resolutions expressing the views of the Klamath executive committee.

It has become increasingly apparent that the amendments here proposed are necessary and should not be longer delayed. These bills do not challenge the basic purpose of the termination law. They simply amend it to correct certain acknowledged defects and thereby in fact insure that the original intent of Congress will be successfully carried out. These bills should not be controversial, in view of the widespread acknowledgment of their need. I hope, therefore, that they can be expeditiously considered and enacted into law. I should like briefly to explain the background and purpose of these bills.

#### FINANCIAL RESPONSIBILITY OF THE UNITED STATES GOVERNMENT FOR TERMINATION PLANNING

H. R. 11659 is a very simple measure. Public Law 587 now charges the cost of planning termination against the funds of the Klamath Tribe. In the case of the Menominee Tribe in Wisconsin, a very similar case, this House recently

passed legislation to transfer this financial obligation to the United States Government. It is, I believe, generally recognized that in terminating its responsibilities to the Indians and withdrawing itself from the burden of trusteeship, the United States should properly bear the cost of its action. Therefore, the Department of the Interior and the Bureau of the Budget made no objection to the similar action in the case of the Menominees. See letter of May 3, 1956, from Assistant Secretary of the Interior, Wesley A. D'Ewart, to Chairman CLAIR ENGLE, House Committee on Interior and Insular Affairs. See also letter from Assistant Secretary to Chairman ENGLE dated February 24, 1956. I trust, therefore, in light of the Department's position and the recent action of this House in the case of the Menominees we will in all fairness promptly act to transfer this financial burden from the Klamath Tribe to the United States Government where it properly belongs, by enacting H. R. 11659.

#### INSURING ORDERLY TERMINATION

My second bill, H. R. 11660, looks to the anticipated completion of appraisal of tribal assets in February of next year. It is intended simply to correct a defect in the language of the present law which could allow a very unfortunate and premature liquidation of assets following the appraisal. Public Law 587 now provides that immediately upon completion of the appraisal each Indian shall have the opportunity to elect for himself and his minor children whether to withdraw from the tribe and convert his interest in the undivided assets into cash. The Stanford Research Institute which studied this situation for the management specialists appointed by the Secretary of Interior has reported that well over half the tribe will choose to take their individual interests and get out. Now if that should happen, the Secretary of the Interior would be forced to sell assets prematurely, perhaps even on a "fire sale" forced liquidation basis in order to pay them. Any sensible termination plan might then be impossible. That is the plain language of the law. This is why one of the management specialists said recently that "if this bill is carried out as written and strictly followed, one of the finest stands of timber will be destroyed."

The problem has been very well explained by the Washington correspondent of the Portland Oregonian in a recent article. I should like to include that article by A. Robert Smith at the end of my remarks.

Consequently, as the law now reads, we are confronted with a situation in which by February of next year, the possibilities of orderly and beneficial termination for the Klamaths may be foreclosed by a forced liquidation of assets. In order to prevent this—in order simply to give time for the Congress and the appropriate officials to deal with this situation—H. R. 11660 provides that after the submission of the appraisal to the Secretary of the Interior no action shall be taken to vest individual rights for 9 months. It provides that upon receipt of the appraisal and report from the









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued  
For actions of

June 12, 1956  
June 11, 1956  
84th-2nd, No. 96

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HIGHLIGHTS: House passed mutual security bill. Senate passed bills to: Extend emergency credit to farmers and stockmen. Extend date for tobacco quota. Ready for President. Pay expenses of soil-water conservation advisory committee. Continue ACP. Authorize feeding of CCC grain to waterfowl. Repeal FPMC authority to issue bonds. Approve interstate forest fire compact. Require census data on class of farm. Amend penal provisions of CCC Charter Act. Eliminate requirement for notice of animal quarantine. Both Houses agreed to conference report on State-Justice appropriation bill. Ready for President. Senate committee reported (June 8) public works appropriation bill. Rep. Hope introduced bill to authorize certain point-of-order items.

## HOUSE

1. FOREIGN AID. Passed with amendments H. R. 11356, the mutual security bill, by a vote of 275 to 122. p. 9012 (For provisions of interest to this Department, see Digests 89 and 95.)
2. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 10721, the State, Justice, and Judiciary appropriation bill for 1957. pp. 8975, 9059. The House agreed to the Senate amendment providing certain administrative funds for the Passamaquoddy Tidal Power project. This bill is now ready for the President.
3. MONOPOLIES. Passed with amendment H. R. 1840, to strengthen the Robinson-Patman Act and amend the antitrust law prohibiting price discrimination (p. 9013). Agreed to an amendment by Rep. Patman to substitute the title and preamble of H. R. 11, a similar bill, for the title of H. R. 1840 (p. 9041).
4. TEXTILE IMPORTS. Rep. Flynt inserted a telegram to the Tariff Commission urging that the peril point and escape clause provisions of the Trade Agreements Act be invoked on certain imported textile products to protect the domestic textile industry. p. 9061

5. ELECTRIFICATION. Rep. Radwan urged that construction of power facilities be started as soon as possible and that the ownership of the plant be settled while the power facility is being constructed. p. 9062
6. FLOOD CONTROL. Both Houses received from the Budget Bureau certain plans for works of improvement under sec. 5 of the Watershed Protection and Flood Prevention Act; to the Senate Agriculture and Forestry Committee and the House Agriculture Committee. pp. 8926, 9063
7. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 7726, to authorize the construction of the Crooked River Federal reclamation project, Ore. (H. Rept. 2305). p. 9063
8. LIBRARIES. The Health and Science Subcommittee of the Interstate and Foreign Commerce Committee ordered reported to the full committee H. R. 11524, to establish a National Library of Medicine. p. D606

SENATE

9. TOBACCO. Passed without amendment H. R. 9475, to extend the time for announcing marketing quotas for tobacco, except flue-cured tobacco, from November 30 to January 31 of each year. This bill will now be sent to the President. p. 8961
10. FARM LOANS. Passed as reported S. 3559, to extend for 2 years the act of Aug. 31, 1954, authorizing emergency loans to farmers and stockmen, and to increase the limitation from \$15 million to \$50 million. p. 8960  
Passed as reported S. 2530, to repeal the authority of the Federal Farm Mortgage Corporation to issue bonds, permit the Corporation to use amounts received annually from the bulk sale of its assets to the Federal land banks to pay its costs of liquidation, and require the remaining stock of the Corporation to be paid into the Treasury. p. 8963
11. RESEARCH LANDS. Passed with amendment S. 3344, to authorize this Department to convey to Alaska a land tract at Sitka which was formerly used for experimental purposes. Agreed to an amendment by Sen. Morse consisting of a reverter clause p. 8961
12. SOIL-WATER CONSERVATION. Passed without amendment S. 3314, to authorize payment of the expenses of the Advisory Committee on Soil and Water Conservation. p. 8962
13. AGRICULTURAL CONSERVATION PROGRAM. Passed without amendment S. 3120, to continue for 2 years (through Dec. 31, 1959) Federal administration of this Program. p. 8962
14. LAND EXCHANGE. Passed without amendment S. 2585, to authorize exchange of a land tract at the Beltsville Research Center. p. 8962
15. CCC GRAIN. Passed H. R. 7641, to authorize Interior Department use of CCC grain to feed waterfowl, with an amendment to substitute the language of S. 2732 as reported. p. 8962
16. FORESTRY. Passed as reported S. 3032, to approve the Middle Atlantic interstate forest fire protection compact. p. 8964
17. CENSUS. Passed as reported S. 3145, to require the Census Bureau to develop farm income data by economic class of farm. p. 8966



84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 11, 1956

Read twice and referred to the Committee on Foreign Relations

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## AN ACT

To amend further the Mutual Security Act of 1954, as amended,  
and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the “Mutual Security Act of  
4       1956”.

5       SEC. 2. Title I, chapter 1, of the Mutual Security Act  
6       of 1954, as amended, which relates to military assistance,  
7       is further amended as follows:

8       (a) In section 103 (a), which relates to authorizations,  
9       add the following new paragraph:

10       “(3) In addition, there is hereby authorized to be

1 appropriated to the President to carry out the purposes of  
2 this chapter not to exceed \$1,925,000,000, of which not less  
3 than \$48,000,000 shall be used to provide assistance to Spain  
4 and not more than \$402,000,000 may be used to provide  
5 assistance to other European countries, and which shall re-  
6 main available until expended.”

7 (b) In section 105, strike out subsections (c) and (d).

8 SEC. 3. Title I, chapter 3, of the Mutual Security Act  
9 of 1954, as amended, which relates to defense support, is  
10 further amended by substituting a semicolon for the period  
11 after “Asia” in subsection (c) of section 131 and inserting  
12 thereafter the following:

13 “and for the fiscal year 1957 not to exceed—

14 “(1) \$63,700,000 for Europe (excluding Greece  
15 and Turkey) ;

16 “(2) \$170,000,000 for the Near East (including  
17 Greece and Turkey) and Africa;

18 “(3) \$882,000,000 for Asia; and

19 “(4) \$37,000,000 for Latin America.

20 “Funds made available under paragraph (4) may be  
21 used to furnish assistance designed to sustain and increase  
22 military or internal defense efforts, and may be used without  
23 regard to the requirements of sections 141 and 142 in the  
24 case of any nation which is a party to the Inter-American  
25 Treaty of Reciprocal Assistance and which has adhered to



1 the resolution of 1954 entitled 'Declaration of Solidarity  
2 for the Preservation of the Political Integrity of the Ameri-  
3 can States against the Intervention of International Com-  
4 munism'."

5 SEC. 4. Title I, chapter 4, of the Mutual Security Act  
6 of 1954, as amended, which contains general provisions relat-  
7 ing to mutual defense assistance, is amended by adding at  
8 the end thereof the following new section:

9 "SEC. 143. PROHIBITION OF ASSISTANCE TO YUGO-  
10 SLAVIA.—Notwithstanding any other provision of law, no  
11 assistance under this title or any other title of this Act, or  
12 under any provision of law repealed by section 542 (a) of  
13 this Act, shall be furnished to Yugoslavia after the date of  
14 the enactment of this section, unless the President finds (1)  
15 that there has been no change in the Yugoslavian policies  
16 on the basis of which assistance under this Act has been fur-  
17 nished to Yugoslavia in the past, and that Yugoslavia is  
18 independent of control by the Soviet Union, and (2) that  
19 it is in the interest of the national security of the United  
20 States to continue the furnishing of assistance to Yugoslavia  
21 under this Act."

22 SEC. 5. Title II of the Mutual Security Act of 1954, as  
23 amended, which relates to development assistance, is  
24 amended by striking out sections 201 and 202 and sub-  
25 stituting the following new section:

1       “SEC. 201. AUTHORIZATION.—(a) In addition to the  
2 funds heretofore appropriated pursuant to the provisions of  
3 sections 201 and 418 of this Act as in effect prior to the  
4 enactment of the Mutual Security Act of 1956, which  
5 funds shall remain available for their original purposes in  
6 accordance with the provisions of law originally applicable  
7 thereto, there is hereby authorized to be appropriated to the  
8 President not to exceed \$243,000,000, to remain available  
9 until June 30, 1960, for assistance designed to promote the  
10 economic development of free Asia, the Middle East, and  
11 Africa, based on self-help and mutual cooperation of friendly  
12 nations, and to maintain economic and political stability in  
13 these areas.

14       “(b) The President is authorized to utilize the funds  
15 hereafter made available for purposes of this title to ac-  
16 complish in these areas policies and purposes declared in  
17 this Act, and to disburse them on such terms and condi-  
18 tions, including transfer of funds, as he may specify: *Pro-*  
19 *vided*, That such assistance shall only be available on terms  
20 of repayment, except (1) when such funds are used to  
21 finance sales of surplus agricultural commodities under sec-  
22 tion 402, or (2) when granted for the purpose of a regional  
23 project involving two or more beneficiary nations: *And*  
24 *provided further*, That not more than 25 per centum of any  
25 funds hereafter made available for purposes of this title shall



1 be used in furnishing assistance to any one nation (including  
2 bilateral assistance furnished to such nation as well as such  
3 nation's proportionate share of assistance furnished for re-  
4 gional projects in which it is involved).

5 “(c) To be eligible for bilateral assistance from funds  
6 hereafter made available for purposes of this title, a nation  
7 shall have entered into a written agreement, satisfactory  
8 to the President, to permit participation by private enter-  
9 prise in the accomplishment of any of the purposes of this  
10 Act in conformance with the provisions of section 413, which  
11 relates to encouragement of free enterprise and private par-  
12 ticipation.

13 “(d) Funds made available under this title may be  
14 used for expenses (other than those provided for under  
15 section 411 (c) of this Act) to assist in carrying out func-  
16 tions under the Agricultural Trade Development and Assist-  
17 ance Act of 1954, as amended (7 U. S. C. 1691 and the  
18 following), delegated or assigned to any agency or officer  
19 administering nonmilitary assistance.”

20 SEC. 6. Title III of the Mutual Security Act of 1954,  
21 as amended, which relates to technical cooperation, is further  
22 amended as follows:

23 (a) In section 304 (b), which relates to authorization,  
24 after “\$146,500,000”, insert “, and for the fiscal year 1957  
25 not to exceed \$140,500,000.”

1 (b) In section 306, which relates to multilateral tech-  
2 nical cooperation:

3 (1) In subsection (a), which relates to contributions  
4 to the United Nations Expanded Program of Technical As-  
5 sistance, strike out all following "1956" and substitute ", and  
6 \$15,500,000 for the fiscal year 1957, for such contributions;".

7 (2) In subsection (b), which relates to contributions  
8 to the technical cooperation programs of the Organization of  
9 American States, strike out all following "1956" and substi-  
10 tute ", and \$1,500,000 for the fiscal year 1957, for such  
11 contributions."

12 (c) In section 307, which relates to advances, grants,  
13 and contracts, strike out all following "Congress," in the last  
14 sentence thereof and substitute "extend at any time for not  
15 more than three years."

16 (d) Add the following new section:

17 "SEC. 309. STUDY OF TECHNICAL COOPERATION PRO-  
18 GRAM.—It is the sense of the Congress that there be made,  
19 under the direction of the President, an analysis and study  
20 of the methods or mechanisms whereby the technical co-  
21 operation program can be established on a long-term basis,  
22 in view of its basic objectives and purposes, separated from  
23 other programs authorized by or pursuant to the Mutual  
24 Security Act, as amended, including the preparation of draft  
25 proposals for legislation to establish such program under the



1 administration of a new independent agency or Government  
2 corporation.”

3 SEC. 7. Title IV of the Mutual Security Act of 1954, as  
4 amended, which relates to other programs, is further amended  
5 as follows:

6 (a) Amend section 401, which relates to special fund,  
7 as follows:

8 (1) In the first sentence of subsection (a), strike out  
9 “\$50,000,000” and substitute “\$150,000,000”; and in the  
10 last sentence of such subsection strike out “\$20,000,000”  
11 and substitute “\$30,000,000”.

12 (2) In subsection (b), after “\$100,000,000”, insert  
13 “, and for the fiscal year 1957 not to exceed \$100,000,000,”.

14 (b) In section 402, which relates to earmarking of  
15 funds, after “\$300,000,000”, insert “, and of the funds so  
16 authorized for the fiscal year 1957 not less than  
17 \$250,000,000,”.

18 (c) In section 403 (b), which relates to special assist-  
19 ance in joint control areas, after “\$21,000,000”, insert “,  
20 and for the fiscal year 1957 not to exceed \$12,200,000,”.

21 (d) Amend section 405, which relates to migrants,  
22 refugees, and escapees, as follows:

23 (1) In subsection (c), after “\$1,400,000”, insert “, and  
24 for the fiscal year 1957 not to exceed \$2,300,000,”.

1       (2) In subsection (d), after "\$6,000,000", insert "  
2 and for the fiscal year 1957 not to exceed \$7,000,000,".

3       (e) In section 406 (b), which relates to children's wel-  
4 fare, after "\$14,500,000", insert ", and for the fiscal year  
5 1957 not to exceed \$10,000,000,".

6       (f) In section 407 (b) which relates to Palestine ref-  
7 ugees in the Near East, strike out "for the fiscal year 1956".

8       (g) Amend section 409, which relates to ocean freight  
9 charges, as follows:

10      (1) In subsection (c), after "\$2,000,000" in the last  
11 sentence thereof, insert ", and for the fiscal year 1957 not  
12 to exceed \$1,400,000,".

13      (2) In subsection (d), after "\$13,000,000" in the first  
14 sentence thereof, insert ", and for the fiscal year 1957 not  
15 to exceed \$14,000,000,".

16      (h) In section 410, which relates to Control Act ex-  
17 penses, after "\$1,175,000," in the first sentence thereof, in-  
18 sert "and for the fiscal year 1957 not to exceed  
19 \$1,175,000,".

20      (i) Amend section 411, which relates to administra-  
21 tive and other expenses, as follows:

22      (1) In subsection (b), strike out all that follows "\$35,-  
23 225,000," and insert "and for the fiscal year 1957 not to  
24 exceed \$35,250,000, for necessary administrative expenses



1 incident to carrying out the provisions of this Act (other  
2 than chapter 1 of title I and section 124) .”.

3 (2) Redesignate subsection “(c)” as subsection “(e)”,  
4 and insert after subsection (b) the following new sub-  
5 sections:

6 “(c) Not to exceed \$1,500,000 of funds made available  
7 under title II may be transferred in the fiscal year 1957  
8 for necessary administrative expenses not otherwise pro-  
9 vided for incident to carrying out functions under the Agri-  
10 cultural Trade Development and Assistance Act of 1954, as  
11 amended (7 U. S. C. 1691 and the following), delegated  
12 or assigned to any agency or officer administering nonmili-  
13 tary assistance, and the amounts so transferred shall be con-  
14 solidated with funds made available pursuant to this section  
15 for said fiscal year.

16 “(d) There are authorized to be appropriated to the  
17 Department of State such amounts as may be necessary  
18 from time to time for administrative expenses which are in-  
19 curred for normal functions of the Department which relate  
20 to functions under this Act.”

21 (j) In section 413 (b) (2), after “to encourage and  
22 facilitate the flow of private investment to”, insert “, and its  
23 equitable treatment in,”.

24 (k) Amend section 413 (b) (4) as follows:

1       (1) After “may make”, insert “, through the Interna-  
2 tional Cooperation Administration”.

3       (2) Substitute “June 30, 1967” for “June 30, 1957”.

4       (3) In subparagraph (B) (ii), before the semicolon  
5 at the end thereof, insert “or by reason of war, revolution,  
6 or insurrection”.

7       (4) Amend subparagraph (F) to read as follows:

8           “(F) the President is authorized to issue guaranties  
9 up to a total face value of \$500,000,000 exclusive of  
10 informational media guaranties heretofore and hereafter  
11 issued pursuant to section 1011 of the Act of January  
12 27, 1948, as amended (22 U. S. C. 1442), and section  
13 111 (b) (3) of the Economic Cooperation Act of 1948,  
14 as amended (22 U. S. C. 1509 (b) (3)) : *Provided*,  
15 That any funds allocated to a guaranty and remaining  
16 after all liability of the United States assumed in con-  
17 nection therewith has been released, discharged, or  
18 otherwise terminated, and funds realized after June 30,  
19 1955, from the sale of currencies or other assets acquired  
20 pursuant to subparagraph (C), shall be available for  
21 allocation to other guaranties, and the foregoing limi-  
22 tation shall be increased to the extent that such funds  
23 become available. Any payments made to discharge  
24 liabilities under guaranties issued under this paragraph  
25 shall be paid out of fees collected under subparagraph



(E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: *Provided*, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: *Provided further*, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value;

1 of said guaranties. For the purpose of this paragraph  
2 the Director of the International Cooperation Admin-  
3 istration is authorized to issue notes (in addition to  
4 the notes heretofore issued pursuant to paragraph 111  
5 (c) (2) of the Economic Cooperation Act of 1948,  
6 as amended) in an amount not to exceed \$37,500,000,  
7 and on the same terms and conditions applicable to notes  
8 issued pursuant to said paragraph 111 (c) (2)."

9 (1) Amend section 415, which relates to assistance to  
10 international organization, as follows:

11 (1) Change "ORGANIZATION" in the title to "ORGAN-  
12 IZATIONS".

13 (2) After "the North Atlantic Treaty Organization",  
14 insert "and the Organization for European Economic Cooper-  
15 ation".

16 (m) Repeal section 418, which relates to President's  
17 Fund for Asian Economic Development.

18 (n) Add the following new section:

19 "SEC. 420. FOOD AND AGRICULTURE ORGANIZA-  
20 TION.—Public Law 174, Seventy-ninth Congress, as  
21 amended by section 1 (b) of Public Law 806, Eighty-first  
22 Congress, is hereby further amended by striking out the  
23 figure '\$2,000,000' in section 2 thereof and inserting in lieu  
24 thereof the figure '\$3,000,000'."

25 SEC. 8. The Mutual Security Act of 1954, as amended;



1 is further amended by inserting immediately after the first  
2 section thereof and before title I the following new section:

3       “SEC. 2. STATEMENT OF POLICY.—The Congress of  
4 the United States, recognizing that the peace of the world  
5 and the security of the United States are endangered as long  
6 as international communism and the nations it controls con-  
7 tinue by threat of military action, use of economic pressure,  
8 internal subversion, or other means to attempt to bring under  
9 their domination peoples now free and independent and con-  
10 tinue to deny the rights of freedom and self-government to  
11 peoples and nations once free but now subject to such  
12 domination, declares it to be the policy of the United States  
13 to continue as long as such danger to the peace of the world  
14 and to the security of the United States persists to make  
15 available to free nations and peoples upon request assistance  
16 of such nature and in such amounts as the United States is  
17 able to provide compatible with its own stability, strength,  
18 and other obligations, and as may be needed and effectively  
19 used by such free nations and peoples to help them maintain  
20 their freedom.”

21       SEC. 9. Title V, chapter 1, of the Mutual Security Act  
22 of 1954, as amended, which relates to general provisions, is  
23 further amended as follows:

24       (a) In section 501, which relates to transferability of

1 funds, strike out the last two sentences and insert in lieu  
2 thereof the following: "Any funds transferred under this sec-  
3 tion for the purpose of furnishing assistance under section  
4 201 shall be available only for furnishing assistance on terms  
5 of repayment in accordance with section 505, for furnish-  
6 ing surplus agricultural commodities under section 402, or  
7 for making grants for regional projects involving two or  
8 more beneficiary nations."

9 (b) In section 507, which relates to availability of  
10 funds, after "students)", insert "and other provisions of this  
11 Act,".

12 (c) In section 509, which relates to shipping on United  
13 States vessels, after "this Act" in the last sentence thereof,  
14 insert "or the Agricultural Trade Development and Assist-  
15 ance Act of 1954, as amended (7 U. S. C. 1691 and the  
16 following),".

17 SEC. 10. Title V, chapter 2, of the Mutual Security Act  
18 of 1954, as amended, which relates to organization and  
19 administration, is further amended as follows:

20 (a) In section 521, which relates to delegation of author-  
21 ity by the President, after "subsection (b)" in subsection  
22 (a), insert "and section 413 (b) (4)".

23 (b) Amend section 522, which relates to allocation and  
24 reimbursement among agencies, as follows:



1 (1) Add the following at the end of subsection (b) :

2 “The Administrator of General Services is authorized to  
3 maintain in a separate consolidated account, which shall be  
4 free from fiscal year limitations, payments received by the  
5 General Services Administration for administrative sur-  
6 charges in connection with procurement services performed  
7 by the General Services Administration in furtherance of the  
8 purposes of this Act. Such payments shall be in amounts  
9 mutually acceptable to the General Services Administration  
10 and the agency administering nonmilitary assistance, and  
11 these amounts shall be available for administrative expenses  
12 incurred by the General Services Administration in perform-  
13 ing such procurement services.”

14 (2) Add the following new subsection:

15 “(f) Any appropriation made to carry out the pro-  
16 visions of this Act may initially be charged, within the limits  
17 of available funds, to finance expenses for which funds are  
18 available in other appropriations made under this Act: *Pro-*  
19 *vided*, That as of the end of the same fiscal year such ex-  
20 penses shall be finally charged to applicable appropriations  
21 with proper credit to the appropriations initially utilized  
22 for financing purposes.”

23 (c) In section 530, which relates to experts and con-  
24 sultants or organizations thereof, insert before the period

1 at the end of subsection (a) the following: “: *Provided*,  
2 That contracts for such employment with such organizations  
3 may be renewed annually”.

4 (d) In section 532, which relates to exemption of per-  
5 sonnel from certain Federal laws, add the following at the  
6 end of subsection (a): “Contracts for the employment of  
7 retired military personnel as experts or consultants under  
8 section 530 (a) may be renewed annually, notwithstanding  
9 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).”

10 (e) Amend section 535, which relates to cooperation  
11 with international organizations, as follows:

12 (1) Insert “NATIONS AND” after “WITH” in the  
13 title.

14 (2) Amend subsection (b) to read as follows:

15 “(b) Whenever the President determines it to be in fur-  
16 therance of the purposes of this Act, United States Govern-  
17 ment agencies, on request of international organizations, are  
18 authorized to furnish supplies, materials, and services, and on  
19 request of nations, are authorized to furnish nonmilitary sup-  
20 plies, materials, and services, to such organizations and na-  
21 tions on an advance of funds or reimbursement basis. Such  
22 advances, or reimbursements which are received under this  
23 subsection within one hundred eighty days after the close of  
24 the fiscal year in which such supplies, materials, and services  
25 are delivered, may be credited to the current applicable ap-



1 appropriation or fund of the agency concerned and shall be  
2 available for the purposes for which such appropriations and  
3 funds are authorized to be used."

4 (f) Add the following new section:

5 "SEC. 537. PROVISIONS ON USES OF FUNDS.—

6 "(a) Appropriations for the purposes of this Act (except  
7 for chapter 1 of title I and section 124), allocations to any  
8 United States Government agency, from other appropriations,  
9 for functions directly related to the purposes of this Act,  
10 and funds made available for other purposes to any agency  
11 administering nonmilitary assistance, shall, except as may  
12 subsequently be otherwise provided by law, be available for  
13 the purposes specified in section 102 of the Mutual Security  
14 Appropriation Act, 1956 (subject each fiscal year to the  
15 limitations on the amounts of funds which can be used for  
16 such purposes), in section 2 of Public Law 495, Eighty-third  
17 Congress (with respect to the remains of persons or members  
18 of the families of persons who may die while away from  
19 their homes participating in activities under this Act or  
20 other Acts directly related to the purposes of this Act), and  
21 in section 902 of the Foreign Service Act of 1946, as amended  
22 (with respect to chiefs of mission appointed pursuant to  
23 section 526 of this Act), and for the purchase of passenger  
24 motor vehicles: *Provided*, That passenger motor vehicles for  
25 administrative purposes may be purchased only as specified

1 in section 102 of the Mutual Security Appropriation Act,  
2 1956, or as specifically otherwise provided by law.

3 “(b) United States Government agencies are authorized  
4 to pay the costs of health and accident insurance for foreign  
5 participants in any exchange-of-persons program or any  
6 program of furnishing technical information and assistance  
7 administered by any such agency while such participants  
8 are en route or absent from their homes for purposes of  
9 participation in any such program.”

10 SEC. 11. Title V, chapter 3, of the Mutual Security  
11 Act of 1954, as amended, which relates to repeal and mis-  
12 cellaneous provisions, is further amended as follows:

13 (a) Amend section 544, which relates to amendments  
14 to other laws, by adding the following new subsections:

15 “(c) In section 4 of the Act of May 26, 1949 (63  
16 Stat. 111, 5 U. S. C. 151c), insert after the words ‘such  
17 functions’ the following: ‘, including if he shall so specify  
18 the authority successively to redelegate any of such func-  
19 tions,’.

20 “(d) In the first sentence of section 32 (b) (2) of the  
21 Surplus Property Act of 1944, as amended (50 U. S. C.  
22 App. 1641 (b) (2)), after ‘any agency thereof’, insert  
23 ‘including amounts received in repayment of principal or  
24 interest on any loan made under section 505 (b) of the  
25 Mutual Security Act of 1954, as amended’.



1       “(e) Section 933 of the Foreign Service Act of 1946,  
2 as amended (22 U. S. C. 1148), is hereby amended by  
3 inserting after ‘continental United States’ where it appears  
4 in both subsection (a) and subsection (b) of that section  
5 ‘, its Territories and possessions,’.

6       “(f) Section 1441 (c) of the Internal Revenue Code  
7 of 1954 is hereby amended by inserting after paragraph (5)  
8 the following new paragraph:

9               “ ‘(6) PER DIEM OF CERTAIN ALIENS.—No deduc-  
10 tion or withholding under subsection (a) shall be re-  
11 quired in the case of amounts of per diem for subsistence  
12 paid by the United States Government (directly or by  
13 contract) to any non-resident alien individual who is  
14 engaged in any program of training in the United States  
15 under the Mutual Security Act of 1954, as amended.’

16       “(g) Section 1011 of the United States Information and  
17 Educational Exchange Act of 1948, as amended (22 U. S. C.  
18 1442), is amended by inserting ‘(a)’ before ‘The Director’,  
19 by deleting everything after the words ‘national interests  
20 of the United States’, by inserting a period at that point,  
21 and by inserting the following new subsections:

22               “ ‘(b) The Director is authorized to assume the obliga-  
23 tion of not to exceed \$28,000,000 of the notes authorized  
24 to be issued pursuant to subsection 111 (c) (2) of the  
25 Economic Cooperation Act of 1948, as amended (22

1 U. S. C. 1509 (c) (2) ), together with the interest accrued  
2 and unpaid thereon, and to obtain advances from time to  
3 time from the Secretary of the Treasury up to such amount,  
4 less amounts previously advanced on such notes, as provided  
5 for in said notes. Such advances shall be deposited in a  
6 special account in the Treasury available for payments  
7 under informational media guaranties.

8 ““(c) The Director is authorized to make informational  
9 media guaranties without regard to the limitations of time  
10 contained in subsection 413 (b) (4) of the Mutual Se-  
11 curity Act of 1954, as amended (22 U. S. C. 1933 (b)  
12 (4) ), but the total of such guaranties outstanding at any  
13 one time shall not exceed the sum of the face amount of  
14 the notes assumed by the Director less the amounts pre-  
15 viously advanced on such notes by the Secretary of the  
16 Treasury plus the amount of the funds in the special account  
17 referred to in subsection (b).

18 ““(d) Foreign currencies available after June 30,  
19 1955, from conversions made pursuant to the obligation of  
20 informational media guaranties may be sold, in accordance  
21 with Treasury Department regulations, for dollars which  
22 shall be deposited in the special account and shall be avail-  
23 able for payments under new guaranties.

24 ““(e) Notwithstanding the provisions of subparagraph  
25 413 (b) (4) (E) of the Mutual Security Act of 1954, as



1 amended (22 U. S. C. 1933 (b) (4) (E) ), (1) fees  
2 collected for the issuance of informational media guaranties  
3 shall be deposited in the special account and shall be avail-  
4 able for payments under informational media guaranties;  
5 and (2) the Director may require the payment of a mini-  
6 mum charge of up to fifty dollars for issuance of guaranty  
7 contracts, or amendments thereto.

8 “‘(f) The Director is further authorized, under such  
9 terms as he may prescribe, to make advance payments  
10 under informational media guaranties: *Provided*, That cur-  
11 rencies receivable from holders of such guaranties on account  
12 of such advance payments shall be paid to the United  
13 States within nine months from the date of the advance  
14 payment and that appropriate security to assure such pay-  
15 ments is required before any advance payment is made.

16 “‘(g) As soon as feasible after the enactment of this  
17 subsection, all assets, liabilities, income, expenses, and charges  
18 of whatever kind pertaining to informational media guar-  
19 anties, including any charges against the authority to issue  
20 notes provided in section 111 (c) (2) of the Economic  
21 Cooperation Act of 1948, as amended, cumulative from the  
22 enactment of that Act, shall be accounted for separately from  
23 other guaranties issued pursuant to subsection 413 (b) of  
24 the Mutual Security Act of 1954, as amended (22 U. S. C.  
25 1933 (b) ) : *Provided*, That there shall be transferred from

1 the special account established pursuant to subsection (a),  
2 into the account available for payments under guaranties  
3 other than informational media guaranties, an amount equal  
4 to the total of the fees received for the issuance of guar-  
5 anties other than informational media guaranties, and used  
6 to make payments under informational media guaranties.’”

7 (b) Amend section 545, which relates to definitions, as  
8 follows:

9 (1) Add at the end of subsection (h) the following:  
10 “Notwithstanding the foregoing provisions of this subsection  
11 (h) and for the purpose of establishing a more equitable  
12 pricing system for transactions between the military depart-  
13 ments and the Mutual Defense Assistance Program, the  
14 Secretary of Defense shall prescribe at the earliest practicable  
15 date, through appropriate pricing regulations of uniform ap-  
16 plicability, that the term ‘value’ (except in the case of excess  
17 equipment or materials) shall mean—

18 “(1) the price of equipment or materials obtaining  
19 for similar transactions between the Armed Forces  
20 the United States; or

21 “(2) where there are no similar transactions within  
22 the meaning of paragraph (1), the gross cost to the  
23 United States adjusted as appropriate for condition and  
24 market value.”

25 (2) Add the following new subsections:



1       “(j) The term ‘agency administering nonmilitary assist-  
 2    ance’ shall refer to any agency to which authorities and func-  
 3    tions under chapter 3 of title I, title II, title III, or title IV  
 4    of this Act are delegated or assigned pursuant to authority  
 5    contained in sections 521 and 525 of this Act.

6       “(k) The term ‘officer administering nonmilitary assist-  
 7    ance’ shall refer to any officer to whom authorities and func-  
 8    tions under chapter 3 of title I, title II, title III, or title IV  
 9    of this Act are delegated or assigned pursuant to authority  
 10   contained in sections 521 and 525 of this Act.”

11       (c) In section 548, which relates to unexpended bal-  
 12   ances, strike out “heretofore”, substitute “1957” for “1956”,  
 13   and strike out the colon and the remainder of the sentence  
 14   following “Act” the second time it appears and insert a  
 15   period.

16       (d) Add the following new section:

17       “SEC. 550. SPECIAL PROVISION ON AVAILABILITY OF  
 18   FUNDS.—An amount equal to 25 per centum of the funds  
 19   authorized to be appropriated for any fiscal year for purposes  
 20   of chapter 3 of title I, title III, or section 403 of this Act  
 21   is authorized to be continued available for three months  
 22   beyond the end of the fiscal year for which appropriated.”

23                   FOREIGN RESEARCH REACTOR PROJECTS

24       SEC. 12. (a) As one means of furthering peaceful uses  
 25   of atomic energy on an international basis, there is hereby

1 authorized to be appropriated to the President for the fiscal  
2 year 1957 not to exceed \$5,950,000 for use by the Presi-  
3 dent, on such terms and conditions as he may specify, for  
4 research reactor projects undertaken or authorized by foreign  
5 governments which shall have entered into agreements for  
6 cooperation with the Government of the United States con-  
7 cerning the peaceful uses of atomic energy.

8 (b) Nothing in this section shall alter, amend, revoke,  
9 repeal, or otherwise affect the provisions of the Atomic  
10 Energy Act of 1954.

11 (c) The United States share of the cost of any reactor  
12 made available to another government or to other govern-  
13 ments shall not exceed \$350,000.

14 (d) In carrying out the purposes of this section the  
15 Director, the Atomic Energy Commission, and other United  
16 States departments and agencies shall give full and con-  
17 tinuous publicity through the press, radio, and all other  
18 available media, so as to inform the peoples of the par-  
19 ticipating countries regarding the assistance, including its  
20 purpose, source, and character, furnished by the United  
21 States. Such portions of the equipment furnished under



- 1 this section as may be appropriately die-stamped as a  
2 product of the United States shall be so stamped.

Passed the House of Representatives June 11, 1956.

Attest:                      RALPH R. ROBERTS,  
*Clerk.*







84TH CONGRESS  
2D Session

H. R. 11356

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## AN ACT

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To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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JUNE 11, 1956

Read twice and referred to the Committee on  
Foreign Relations



page magazine advertisement based on this tax theme. This particular ad says the taxpayers will save \$465 million because the Idaho Power Co., instead of the Government, will dam the Snake River in Hells Canyon.

The ad further listed the alleged amounts of taxes the people in each of the 48 States will save as the result of substituting the private Hells Canyon project for the public one.

Senator WARREN G. MAGNUSON, Democrat, Washington, and Senator RICHARD L. NEUBERGER, Democrat of Oregon pointed out that a Government dam in Hells Canyon would be "part of the great public-owned Bonneville power system in the Pacific Northwest—and that system has turned into the United States Treasury \$300 million in power revenues."

Like Bonneville, the Tennessee Valley Authority and other public power systems, a Government dam in Hells Canyon, NEUBERGER said, would more than pay for itself, and thus actually lighten the taxpayers' burden in the long run.

Meanwhile, TVA this week reported that, in the year soon ending on June 30, the TVA power system is paying \$11 million taxes to State, county, and municipal governments, in its seven-State area.

Numerous other pertinent figures are provided in a new booklet entitled "Facts About TVA Operations, 1956," put out by the Tennessee Valley Authority at Knoxville, Tenn.

The booklet points out that the TVA system is paying 200 percent more State, county, and local taxes than private power companies used to pay in its region, while, in the same period, such taxes paid by private power concerns in other parts of the country have increased only 185 percent.

Also, the booklet tells how TVA is earning Uncle Sam an average of 4 percent profit on his investment in that public power system, and has turned \$151 million into the United States Treasury with more to come.

However, as the booklet says, the meaning of TVA goes further and deeper than dollars and taxes. It is "realizing the dream of the late Senator George W. Norris of Nebraska." TVA "has made the Tennessee River and its tributaries the most completely useful stream on the globe today." Not only by developing its full electric power potential, but also by such inspiring achievements as these:

Controlling floods and opening new waterways. Planting and protecting forests. Helping farmers by producing improved fertilizers and encouraging better land use and management. Wiping out malaria and otherwise bettering the people's health and raising their standard of living.

TVA does all this, the booklet explains, by real cooperative partnership with "State and local agencies and private enterprise." That's very different from the Administration's "partnership" policy, under which

Uncle Sam puts up most of the money and private Power Trust companies get all the profit.

As a matter of fact, neither private nor public power systems really pay any taxes. Just stop and think a moment and you'll see why. Where does any power system get all its income? From the people who buy and consume the power. They provide the money which pays the taxes. The public or private company merely collects the tax dollars and passes them along to the Federal, State, and local governments.

Remember that the next time you read propaganda about "the taxpaying private utility companies."

Mr. MORSE. I yield the floor.

#### RECESS TO WEDNESDAY

MR. LONG. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon on Wednesday next.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until Wednesday, June 13, 1956, at 12 o'clock meridian.

# House of Representatives

MONDAY, JUNE 11, 1956

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, humbly and reverently we are turning unto Thee in the sacred attitude of prayer for we have needs and longings which Thou alone canst supply and satisfy.

We earnestly implore Thee to endue us with insight and inspiration that we may interpret wisely and understand correctly all the events and experiences of this new day.

Inspire us with that sense of moral dignity and feeling of spiritual freedom which are begotten of simple faith in Thee and faithful service to needy humanity.

Hear us as we continue our supplications and intercessions for our President. We beseech Thee, in Thy great mercy, to share Thy wisdom with the doctors and nurses enabling them, in their ministry, to know what to do for his complete recovery.

We bring our petition in the name of our Blessed Lord, the Great Physician. Amen.

## THE JOURNAL

The Journal of the proceedings of Friday, June 8, 1956, was read and approved.

## CALL OF THE HOUSE

Mr. TRIMBLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 62]

Allen, Ill.	George	McConnell
Andersen,	Gray	Miller, Calif.
H. Carl	Gwinn	Miller, Nebr.
Bell	Hale	Morrison
Blitch	Hoffman, Ill.	O'Hara, Minn.
Bray	Hope	Pfost
Brown, Ohio	Horan	Powell
Cannon	Johnson, Calif.	Prouty
Carnahan	Jones, Mo.	Thompson, La.
Cederberg	Judd	Wickersham
Diggs	Keating	Wier
Dowdy	Kelley, Pa.	Wilson, Calif.
Eberhart	Lane	
Fernandez	Lankford	

The SPEAKER. On this rollcall 388 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## MUTUAL SECURITY ACT OF 1956

The SPEAKER. The unfinished business is the further consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. SMITH of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SMITH of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SMITH of Wisconsin moves that the bill be recommitted to the Committee on Foreign Affairs for further study.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin) there were—ayes 52, noes 142.

So the motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. SMITH of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 275, nays 122, answered "present" 2, not voting 33, as follows:

[Roll No. 63]

YEAS—275

Addonizio	Bolton,	Corbett
Albert	Oliver P.	Coudert
Allen, Calif.	Bowler	Cramer
Andresen,	Boykin	Cretella
August H.	Boyle	Cunningham
Anfuso	Brooks, Tex.	Curtis, Mass.
Arends	Brown, Ga.	Curtis, Mo.
Ashley	Broyhill	Dague
Aspinall	Buckley	Davidson
Auchincloss	Burnside	Davis, Ga.
Avery	Bush	Davis, Tenn.
Ayres	Byrd	Dawson, Ill.
Baker	Byrne, Pa.	Dawson, Utah
Baldwin	Byrnes, Wis.	Deane
Barrett	Canfield	Delaney
Bass, N. H.	Carrigg	Denton
Bates	Celler	Derounian
Becker	Chatham	Devereux
Bennett, Fla.	Chelf	Diggs
Bentley	Chenoweth	Dingell
Blatnik	Chiperfield	Dixon
Boggs	Christopher	Dodd
Boland	Chudoff	Dollinger
Bolling	Clark	Dolliver
Bolton,	Cooley	Donohue
Frances P.	Cooper	Donovan

Dorn, N. Y.	Kearns
Doyle	Kee
Durham	Kelly, N. Y.
Eberhart	Keogh
Edmondson	Kilburn
Elliott	Kilday
Ellsworth	King, Calif.
Engle	Kirwan
Evins	Klein
Fallon	Kluczynski
Fascell	Knutson
Feighan	Lanham
Fenton	Latham
Fino	LeCompte
Flood	Lesinski
Fogarty	McCarthy
Forand	McCormack
Ford	McDowell
Forrester	Maedonald
Frazier	Machrowicz
Frelinghuysen	Mack, Ill.
Friedel	Madden
Fulton	Martin
Gamble	Magnuson
Garmatz	Mahon
Gary	Mailliard
Gathings	Marshall
Gordon	Martin
Green, Oreg.	Matthews
Green, Pa.	Meador
Gregory	Merrrow
Griffiths	Metcalf
Gubser	Miller, Md.
Hagen	Miller, N. Y.
Halleck	Minshall
Harden	Mollohan
Hardy	Morano
Harris	Morgan
Hays, Ark.	Morrison
Hays, Ohio	Moss
Hayworth	Multer
Healey	Mumma
Hébert	Murray, Ill.
Heselton	Murray, Tenn.
Hill	Natcher
Hillings	Norblad
Hinshaw	O'Brien, Ill.
Hollifield	O'Brien, N. Y.
Holland	O'Hara, Ill.
Holmes	O'Neill
Holtzman	Osmer
Hope	Ostertag
Hosmer	Patterson
Huddleston	Pelly
Hull	Perkins
Hyde	Post
Ikard	Philbin
Jackson	Pilcher
James	Pillion
Jarman	Poff
Jenkins	Powell
Johnson, Calif.	Preston
Johnson, Wis.	Price
Jones, Ala.	Priest
Karsten	Quigley
Kean	Rabaut
Kearney	Radwan
	Rains

NAYS—122

Abbitt	Bonner	Dies
Abernethy	Bosch	Dondero
Adair	Bow	Dorn, S. C.
Alexander	Brooks, La.	Fisher
Alger	Brownson	Fjare
Andrews	Budge	Flynt
Ashmore	Burdick	Fountain
Bailey	Burleson	Gavin
Barden	Carlyle	Gentry
Bass, Tenn.	Chase	Grant
Baumhart	Church	Gray
Beamer	Clevenger	Gross
Belcher	Colmer	Haley
Bennett, Mich.	Coon	Hand
Berry	Crumpacker	Harrison, Nebr.
Betts	Davis, Wis.	Harrison, Va.
Blitch	Dempsey	Harvey



Henderson	McMillan	Sikes
Herlong	McVey	Slier
Hess	Mack, Wash.	Simpson, Ill.
Hiestand	Mason	Smith, Kans.
Hoeven	Mills	Smith, Va.
Hoffman, Mich.	Moulder	Smith, Wis.
Holt	Nicholson	Talle
Jennings	O'Konski	Teague, Tex.
Jensen	Passman	Thomas
Johansen	Patman	Thompson,
Jonas	Poage	Mich.
Jones, N. C.	Polk	Thomson, Wyo.
Kilgore	Reece, Tenn.	Tuck
King, Pa.	Reed, N. Y.	Utt
Knox	Robeson, Va.	Van Pelt
Krueger	Rogers, Fla.	Weaver
Laird	Rogers, Tex.	Wharton
Landrum	Rutherford	Whitten
Lipscomb	Saylor	Williams, Miss.
Long	Scherer	Willis
Love	Scrivner	Wilson, Ind.
McCulloch	Sheehan	Winstead
McDonough	Short	Withrow
McGregor	Shuford	Wolcott

## ANSWERED "PRESENT"—2

Cole Phillips

## NOT VOTING—33

Allen, Ill.	Gwinn	Miller, Calif.
Andersen,	Hale	Miller, Nebr.
H. Carl	Hoffman, Ill.	Nelson
Bell	Horan	Norrell
Bray	Jones, Mo.	O'Hara, Minn.
Brown, Ohio	Judd	Prouty
Cannon	Keating	Thompson, La.
Carnahan	Kelley, Pa.	Thornberry
Cederberg	Lane	Wickersham
Dowdy	Lankford	Wier
Fernandez	McConnell	
George	McIntire	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Prouty for, with Mr. Brown of Ohio against.

Mr. Carnahan for, with Mr. Bell against.

Mr. Jones of Missouri for, with Mr. McIntire against.

Mr. Keating for, with Mr. Miller of Nebraska against.

Mr. Hale for, with Mr. Thompson of Louisiana against.

Mr. Horan for, with Mr. Dowdy against.

Mr. Judd for, with Mr. Phillips against.

Mr. Kelley of Pennsylvania for, with Mr. Hoffman of Illinois against.

Mr. Cole for, with Mr. Bray against.

Until further notice:

Mr. Miller of California with Mr. O'Hara of Minnesota.

Mr. Cannon with Mr. McConnell.

Mr. Lankford with Mr. George.

Mr. Wickersham with Mr. H. Carl Andersen.

Mr. Wier with Mr. Gwinn.

Mr. Thornberry with Mr. Springer.

Mr. Norrell with Mr. Nelson.

Mr. Fernandez with Mr. Cederberg.

Mr. PHILLIPS. Mr. Speaker, I have a live pair with the gentleman from Minnesota, Mr. Judd. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. COLE. Mr. Speaker, I have a live pair with the gentleman from Indiana, Mr. BRAY. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DODD. Mr. Speaker, on Thursday, June 7, this House adopted my amendment to the Mutual Security Act of 1956, H. R. 11356, increasing defense support to Latin America from \$32 million to \$37 million. I want to make perfectly plain the legislative intent in connection with the adoption of the amendment so that there will be no misunderstanding.

My amendment increases defense support assistance to Guatemala by an additional \$5 million. Since the Foreign Affairs Committee had already increased the amount for Guatemala by \$5 million, the total effect of House Foreign Affairs Committee action and action taken here on June 7 is to increase defense support to Guatemala by \$10 million in addition to the amount I am now at liberty to disclose of \$5 million requested by the executive branch. Thus the total authorization for defense support for Guatemala is \$15 million.

## COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have permission to sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## TO STRENGTHEN THE ROBINSON-PATMAN ACT AND AMEND THE ANTITRUST LAW PROHIBITING PRICE DISCRIMINATION

Mr. COLMER. Mr. Speaker, I call up House Resolution 521 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1840) to strengthen the Robinson-Patman Act and amend the antitrust law prohibiting price discrimination. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill H. R. 1840, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit. After the passage of the bill H. R. 1840 it shall be in order to move to strike out the number H. R. 1840 and title and provisions thereof and to substitute in lieu thereof the number H. R. 11 and the title and provisions thereof: *Provided, however*, That such motion shall not be debatable.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Oregon [Mr. ELLSWORTH] and pending that I yield myself such time as I may desire.

Mr. Speaker, this is an open rule making in order the consideration of H. R. 1840, which is an amendment to strengthen the original Robinson-Patman Act. It provides for 3 hours of general debate.

The rule is, as I said, an open rule, but it varies from the general open rule in that it has an extra provision which would make in order at the conclusion of debate and the adoption of the bill a motion to substitute H. R. 11, the original Patman bill, that was introduced for this purpose. I might say in that connection that there is very little difference between H. R. 11 and H. R. 1840. H. R. 11 being the Patman bill, and H. R. 1840 being the Rogers of Colorado bill. The only difference is in the number and in the title, the preamble to the bill.

As the House will recall, a petition was signed discharging the committee from further consideration of the bill H. R. 11. Frankly, as one who supports the bill, I did not sign that discharge petition. I do not sign discharge petitions. I think it is rather a bad way to legislate, although I agree with the purposes of the bill. But the Committee on Rules felt that since the gentleman from Texas [Mr. PATMAN] was a cosponsor of the original Robinson-Patman bill, and since he had filed this original H. R. 11, he was entitled to some consideration in the matter and therefore in order to give the House an opportunity to work its will in that matter, it provided that this method of substitution would be resorted to.

Since coming on the floor, I understand that may not be necessary; that some adjustment may be worked out between the distinguished gentleman from Texas [Mr. PATMAN] and the distinguished gentleman from New York [Mr. CELLER] and the members of the committee so that that will not be necessary. But, at any rate, that is the machinery provided for in the rule.

Mr. Speaker, as I have indicated, I favor this legislation. I think this is a proper method for its consideration. I hope the rule will be adopted, and, as I said, I shall support the legislation.

Mr. ELLSWORTH. Mr. Speaker, it will be noted that this rule makes in order striking out the number, H. R. 1840 and the title and provisions thereof and substituting in lieu thereof the number H. R. 11 and the title and provisions thereof.

The gentleman from Mississippi [Mr. COLMER] has explained the problem which was presented to the Committee on Rules which resulted in that language being incorporated in the resolution which is now before us. The provisions and language of the main body of the two bills, as I understand, are substantially identical; in fact, I believe they are identical. There is a difference between the two bills in that the bill, H. R. 11, has a rather long title and preamble, while the bill H. R. 1840 contains just the ordinary simple title and no preamble.

The bill, H. R. 11, for the information of the membership of the House, is the bill about which most of us have received a great deal of mail. It has generally been favored pretty much over the entire country, especially by smaller units of business.

The passage of H. R. 1840 would have the same effect as the passage of H. R. 11. I am not familiar with the terms of any arrangement that may be made for



working out the matter as described by the gentleman from Mississippi [Mr. COLMER]. However, there will be 3 hours of general debate if the rule is adopted. The situation can be fully clarified during that period of debate.

We have no opposition on this side in the Committee on Rules. I am very much in favor of the rule.

Mr. Speaker, I yield back the balance of my time.

Mr. COLMER. Mr. Speaker, I have no further requests for time on this side. I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1840) to strengthen the Robinson-Patman Act and amend the antitrust law prohibiting price discrimination.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1840, with Mr. DOYLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CELLER. Mr. Chairman, I yield 18 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks.)

Mr. PATMAN. Mr. Chairman, I should like to take a moment to review the relationship between H. R. 1840, the bill now under consideration under the rule that has just been adopted, and H. R. 11, the bill which might be before the House today under a petition to discharge which was signed by 218 Members. In this way the reason for the amendment I have offered will become completely clear.

I introduced H. R. 11 on the opening day of the last session of this Congress on behalf of myself and 47 cosponsors. After that time several other Members introduced identical bills, and others introduced bills which are quite similar. All of these were referred to the Committee on the Judiciary.

In May of last year the Antitrust Subcommittee of the Committee on the Judiciary opened hearings on the general subject of antitrust problems. Several witnesses were invited to appear and discuss whatever antitrust problems they considered to be important. I was honored with one of these invitations. Consequently I appeared before the subcommittee on May 10, 1955, and read a prepared statement in which I discussed several antitrust problems which seemed to be pressing. On that occasion I dealt at great length with the particular problem which seems most pressing, namely, the problem which H. R. 11 was intended to alleviate, and I discussed H. R. 11 in complete detail. Clearly H. R. 11 would merely reaffirm and restore a law which

Congress had passed previously, after long and thorough investigations and hearings, and it was equally clear that the bill would do no more than restore a law which had been nullified by a very bad misinterpretation of the law by the Supreme Court. Under these circumstances, and because of the rapid destruction of small business which was taking place as a result of the Supreme Court's decision, I had rather thought that we might get quick consideration of the bill.

Later in the present session of Congress, however, it began to look as though the Committee on the Judiciary might not report the bill in time for the House to act on it during this Congress, if indeed the committee reported the bill at all. Consequently, on March 8, 1956, I filed a petition to discharge the committee and call up H. R. 11.

On Monday, May 21, 1956, the discharge petition was completed; on that day the 218th signature was placed on the petition; the petition and the names of the signers appeared in the RECORD for that day.

On the next day, May 22, 1956, the Committee on the Judiciary met and reported another bill, namely, H. R. 1840, which is now up for debate.

The situation is this: The original intent of the law was to grant equality of opportunity to small merchants and independent businessmen. The object was to prohibit the larger concerns from getting preferential discounts, secret rebates, under-the-counter deals which were discriminatory to the hometown merchants. All in the world the original law was intended to do was to give the little man equality of opportunity. And the purpose of this bill is to make that intention effective.

Remember, this law does not apply to the sale of merchandise by the local concern. It does not apply at all. It applies only where there is interstate commerce. This law is intended to guarantee to that man who buys his goods for resale that he will get the same price from the supplier that this supplier grants to his competitors under the same terms and conditions.

Remember that the law itself states that there can be a difference in the prices which the seller charges different buyers, to the extent that the seller has a difference in the cost of manufacture, sale, or delivery. If the supplier who supplies both the big man and the little man can show that he sells the big man in such huge quantities or delivers to him the goods sold in such a way that there is an actual saving to the supplier in serving the big man, that much of a discrimination is justified and is authorized by law. That is as it should be. If there is a difference in the cost of manufacture, sale, or delivery, that difference in cost can be reflected in the seller's prices. Nobody objects to that. The little man does not object to it. The independent merchant does not object to it. It is perfectly all right.

May I impress upon you Members of this House my firm conviction that independent business in this country and small business will have all the security

they need, if they can buy right and fairly and not be discriminated against. In other words, I believe the little man is just as efficient as the big man.

There is no danger of the little man being forced out of business. The smallest merchant in the country can meet the competition of the greatest chain if the golden rule in business prevails. That is all we ask—equality of opportunity. That is all that this bill does. It gives the little man equality of opportunity. It does not apply, I repeat, to the retailer selling at retail and not in interstate commerce. This law does not touch him at all. So it is a good law. It has worked out well. For 20 years it has been on the statute books. I am told that a great number of independent businesses would not be in business today, if it were not for this law. I am sure that is correct. It has saved many of them. The Supreme Court, in a closely divided decision, placed a loophole in this law which really discriminates against the little man again; and the only object and intention of this bill before you today is to restore the law to its original intent. Remember, in 1936 when the original bill was before the House, and it came to a vote 290 Members of the House stood up, on a division, for the bill; and only 16 voted against it. In the other body, the vote was unanimous. The majority opinion of the Supreme Court in *Standard Oil Co. (Indiana) v. FTC* (340 U. S. 231). A loophole in the law which had worked so well for 20 years, and the object of this bill is to restore the law to its original intent.

Mr. FULTON. Would the gentleman comment as to the effect of this bill on the matter of the defense of good faith in meeting competitive prices?

Mr. PATMAN. Of course, it restores it to its original intent. Well, we will take the Standard Oil case. That is the one that placed the loophole in the law. In Detroit, Mich., there was a case there, you know, where there were Standard Oil stations in a certain area in the city of Detroit. In that area there was a distributor selling off-brand gasoline. That brand of gasoline was being sold at a price lower than Standard's price, Standard came in and selected 4 customers and gave them a price that would equal the off-brand distributor's price. But, Standard did not give the same price to the other competitors in that same area. If it had, that would have been all right. A seller has a right in good faith to meet competition, but he has no right to destroy competition in doing so. That was an instance where Standard Oil had selected certain stations in that area to sell Standard Oil products. Standard Oil is not required to sell to any particular buyer. No supplier is required to supply a customer. Under the law, the supplier can select or not select any customer he wants to. Standard Oil did not have to select these retail buyers, to sell their products, but they did. After they selected them, however, this bill requires Standard Oil to treat them fairly, and to treat them right, but not to discriminate among them. It is all right to









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 19, 1956  
For actions of June 18, 1956  
84th-2nd, No. 100

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HIGHLIGHTS: House agreed to conference report on bill adjusting certain taxes on livestock. Ready for President. House Rules Committee cleared farm loan bill. House passed bill further defining dry milk solids. House passed bill extending Federal Seed Act to Guam. House committee reported bill to increase Public Law 480 authorization. House committee reported on June 15, revised housing bill. Senate committee ordered reported mutual security bill. Senate passed bill for purchase of (continued on page 6)

## HOUSE

1. SURPLUS COMMODITIES. The Agriculture Committee reported without amendment H. R. 11708, to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase from \$1,500,000,000 to \$3,000,000,000 the amount for purposes of title I of the Act, to authorize assistance to American-sponsored schools abroad, and to amend the provision against agreements with communist-dominated countries (H. Rept. 2380). p. 9493
2. HOUSING; FARM LOANS. On June 15, during recess, the Banking and Currency Committee reported without amendment H. R. 11742, the housing bill (H. Rept. 2363). The bill includes provisions to continue for 5 years the farm housing authorization under title V of the Housing Act of 1949 and to direct PHA to transfer farm-labor camps without monetary consideration to any public housing authority whose area of operation includes such project. The committee report criticizes this Department for not effectuating the farm-housing authorization in the Housing Act. p. 9492
3. FARM LOANS. The Rules Committee reported a resolution for the consideration of H. R. 11544, to improve and simplify the credit facilities available to farmers and to amend the Bankhead-Jones Farm Tenant Act. pp. 9457, 9492

4. APPROPRIATIONS. Conferees were appointed on H. R. 11319, the public works appropriation bill for 1957. The bill includes funds for Tennessee Valley Authority, Southeastern Power Administration, Southwestern Power Administration, Bonneville Power Administration, Bureau of Reclamation, and Army flood control. p. 9453 Senate conferees were appointed on June 13.
  5. TAXATION. Agreed to the conference report on H. R. 6143, to treat, for tax purposes, as an involuntary conversion the sale of livestock because of drought. p. 9453 This bill is now ready for the President.
  6. MILK. Passed under suspension of the rules, S. 1614, to define non-fat dry milk under the Federal Food, Drug, and Cosmetic Act; and H. R. 5257, a similar bill, was laid on the table. pp. 9472, 9457
  7. FISHERIES. The Fisheries and Wildlife Conservation Subcommittee of the Merchant Marine and Fisheries Committee ordered reported, on June 15, to the full committee H. R. 11570, to establish a sound and comprehensive national policy with respect to fisheries and wildlife and to create within the Interior Department, the office of Undersecretary of Fish and Wildlife. p. D640
  8. GUAM. Passed without amendment H. R. 11522, to provide for the extension of certain provisions of Federal laws, including the Federal Seed Act, the Vocational Rehabilitation Act, and wildlife restoration authorities, to Guam. p. 9459
  9. RECORDS. At the request of Rep. Ford, passed over without prejudice S. 2364, to clarify GSA authority over records management. p. 9457
  10. MINING. Passed as reported H. R. 6501, to permit the disposal of certain reserve mineral deposits under the U. S. mining laws. p. 9457
  11. FORESTRY. Passed without amendment H. R. 9974, to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in Wis. p. 9466
  12. CONTRACTS; BUILDINGS. The Judiciary Committee, on June 15, reported with amendment S. 1644, to prescribe policy, improve existing procedure and practices in connection with the letting of lump-sum, Federal construction contracts, and place the awarding of such contracts on a more efficient basis (H. Rept. 2362). p. 9492
  13. DAYLIGHT-SAVING TIME. The Judiciary Subcommittee of the D. C. Committee ordered reported to the full committee S. 3295, authorizing the extension of daylight-saving time in D. C. to the last Sunday in October. p. D639
- 
- SENATE
14. FOREIGN AID. The Foreign Relations Committee ordered reported with amendments H. R. 11356, the mutual security program for 1957. p. D635  
Sen. Jackson and others questioned some of the provisions of the mutual security program. p. 9437
  15. FORESTRY. Passed as reported S. 3132, to provide for the purchase of lands within the Cache National Forest, Utah. Agreed to a committee amendment providing that funds appropriated shall be matched by donations of lands or funds by local agencies, organizations, or persons. p. 9417









June 19, 1956

The committee also reported with amendments S. 3362, to simplify accounting and facilitate the payment of obligations (S. Rept. 2266). p. 9502

11. INTERIOR AND INSULAR AFFAIRS COMMITTEE reported the following bills: p. 9502  
S. 3042, without amendment, to amend the Mineral Leasing Act of February 25, 1920, to promote the development of phosphate on the public domain (S. Rept. 2272);  
S. 1333, with amendments, to authorize the construction, operation and maintenance of the Hells Canyon Dam between Ida, and Ore. (S. Rept. 2275);  
S. 3512, without amendment, to permit under certain circumstances desert land entries on disconnected tracts of lands (S. Rept. 2271);  
S. 3743, with amendment, to add certain lands of the Lassen National Forest to the Lassen Volcanic National Park, Calif. (S. Rept. 2264).
12. PROPERTY. The Government Operations Committee reported with amendments H. R. 7227, to authorize the disposal of surplus property for civil defense purposes (S. Rept. 2267). p. 9502
13. FOREIGN AID. The Foreign Relations Committee reported with amendment H. R. 11356, the mutual security program for 1957 (S. Rept. 2273). p. 9502
14. FORESTRY. Passed with amendment S. 2572, to authorize the interchange of national forest lands with military department lands within or adjacent to the national forests. Agreed to an amendment by Sen. Ellender providing that such interchanges shall not become effective until 45 days after submission to the Congress by the respective Secretaries of notice of intention to make the interchange. p. 9509
15. FORESTRY. The Interior and Insular Affairs Committee ordered reported without amendment S. J. Res. 139, commemorating the 50th anniversary of the first conference of State governors for the protection of natural resources of the U. S. p. D645
16. GOVERNMENT SECURITY. Received from the Commission on Government Security a proposed bill to extend the time for the Commission to file its final report; to Government Operations Committee. p. 9497
17. PUBLIC POWER. Sen. Langer inserted a number of resolutions of the American Public Power Assoc. relating to various aspects of public power policies. p. 9497
18. DROUGHT RELIEF. Sen. Symington urged emergency drought relief for Missouri, and criticized this Department for delay in furnishing such relief. p. 9506

## ITEMS IN APPENDIX

19. INFORMATION. Sen. Kennedy inserted two newspaper articles favoring the creation of a National Library of Medicine to "promote the progress of medicine and to advance the national health and welfare." p. A4847, A4851
20. FOREIGN AID. Sen. Langer inserted a newspaper article, "House Revolt on Foreign Aid--Senate Also Expected to Back Slash Despite Eisenhower's and Dulles' Pleas." p. A4851  
Sen. Jenner inserted an editorial opposing foreign aid and saying "...it should not be cut by \$1 billion, as proposed by the House Foreign Affairs

Committee. It should be completely abolished." p. A4853

Rep. Smith, Wis., inserted an editorial which quoted Sen. Ellender as saying "the American people are sour on foreign aid." p. A4862

21. COTTON. Rep. Hagen spoke in favor of his bill H. R. 11478 which would provide for a program to encourage the utilization of domestic fiber cotton, and inserted a newspaper article in favor of this proposed legislation. p. A4855
22. FAMILY FARM. Sen. Jenner inserted a newspaper article, "Jenner Would Help Family Farmers," and stated that "this editorial vigorously supports our historic national policy of strengthening the family farm, as the basis of our political, economic, and social system"; and an editorial, "Foreign Aid Contributes to Farmers' Plight." p. A4857
23. LANDS. Extension of remarks of Rep. Engle in support of a bill to require the military departments to get approval from Congress for any withdrawal of public lands in excess of 5,000 acres, and his insertion of a newspaper article, "Landgrabbing Row Has Services Fuming." p. A4875
24. DROUGHT RELIEF. Rep. Hull discussed the drought crisis in Mo., criticized this Department's drought relief program and stated that "...upon the basis of a casual and partial investigation by a lone subordinate, the Department of Agriculture concluded that the situation was not sufficiently acute to warrant relief," and inserted several newspaper articles on this subject. p. A4878

#### BILLS INTRODUCED

25. SOIL CONSERVATION. H. R. 11831, by Rep. Cooley and H. R. 11833, by Rep. Hope, to amend the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938 to provide for a Great Plains conservation program; to Agriculture Committee.
26. PERSONNEL. H. R. 11837, by Rep. McCarthy, to amend the Hatch Act to permit all officers and employees of the Government to exercise the full responsibility of citizenship and to take an active part in the political life of the United States; to House Administration Committee.  
H. R. 11841, by Rep. Rees, to protect the security of the United States by preventing the employment by the United States of persons found to be disloyal to the United States; to Post Office and Civil Service Committee. Remarks of author, p. 9543, A4866
27. WILDLIFE; CHEMICALS. H. R. 11839, by Rep. Metcalf, to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, and fungicides upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following spraying, and to provide basic data on the various chemical controls so that forests, croplands, and marshes can be sprayed with minimum losses of fish and wildlife; to Merchant Marine and Fisheries Committee. Remarks of author, p. A4873
28. SMALL BUSINESS. H. R. 11846, by Rep. Roosevelt, to amend section 3 of the Clayton Act to free those in commerce from restraints of trade and to allow smallbusiness men freedom of choice in the conduct of their respective businesses as independent enterprises; to Judiciary Committee. Remarks of author, p. A4872
29. PERSONNEL. S. 4076, by Sen. McClellan, to provide for the appointment of the chief legal officers of certain departments in the executive branch by the



84TH CONGRESS}  
2d Session }

SENATE

{ REPORT  
{ No. 2273

THE MUTUAL SECURITY ACT  
OF 1956

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REPORT  
OF THE  
COMMITTEE ON FOREIGN RELATIONS  
ON  
H. R. 11356



JUNE 19, 1956.—Ordered to be printed

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1956

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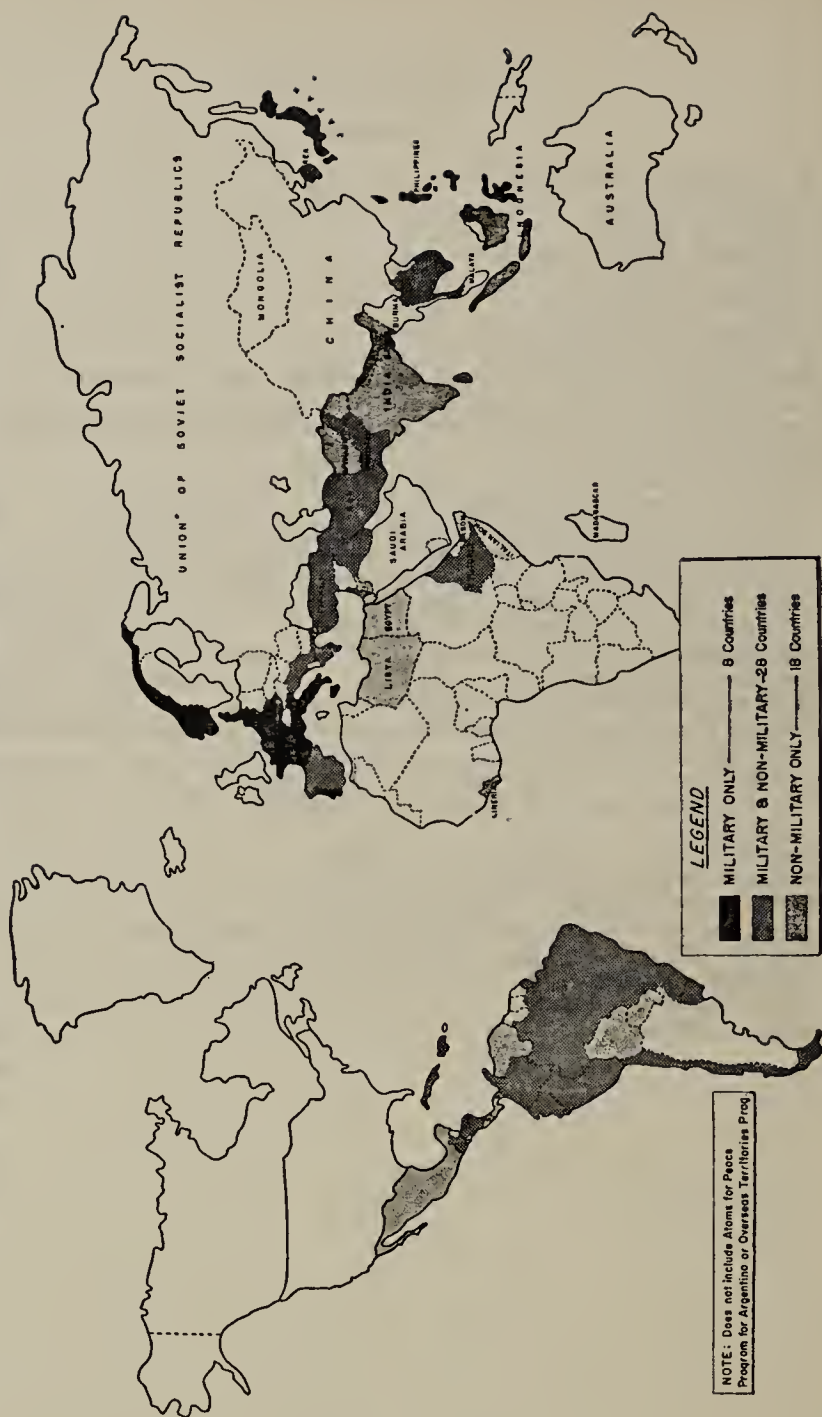


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# COUNTRIES PARTICIPATING-MSP in FY 1957





## MUTUAL SECURITY ACT OF 1956

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JUNE 19, 1956—Ordered to be printed

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Mr. GEORGE, from the Committee on Foreign Relations, submitted the following

## R E P O R T

[To accompany H. R. 11356]

The Committee on Foreign Relations, having had under consideration H. R. 11356, to amend further the Mutual Security Act of 1954, as amended, and for other purposes, reports the same favorably with an amendment in the value of a substitute and recommends that it do pass.

## 1. MAIN PURPOSE OF THE BILL

The main purpose of the bill is to continue for another year the military, economic, and other types of assistance which together comprise the mutual security program. For this purpose, a total authorization of not to exceed \$4,270,075,000 is provided. The table below shows the amounts authorized by program as compared to the administration requested and to the bill as passed by the House.

*Mutual security authorizations*

	Administra- tion request	House	Senate Foreign Relations Committee
Military assistance.....	\$2, 925, 000, 000	\$1, 925, 000, 000	\$925, 000, 000
Spain.....	( <sup>1</sup> )	(48, 000, 000)	( <sup>1</sup> )
Other European countries.....	( <sup>1</sup> )	(402, 000, 000)	( <sup>1</sup> )
Replacement purchaser for U. S. forces.....	( <sup>1</sup> )	( <sup>1</sup> )	1, 600, 000, 000
Subtotal.....	2, 925, 000, 000	1, 925, 000, 000	2, 525, 000, 000
Defense support:			
Europe.....	78, 700, 000	63, 700, 000	78, 700, 000
Near East and Africa.....	170, 000, 000	170, 000, 000	170, 000, 000
Asia.....	882, 000, 000	882, 000, 000	882, 000, 000
Latin America.....		37, 000, 000	37, 000, 000
Subtotal.....	1, 130, 700, 000	1, 152, 700, 000	1, 167, 700, 000
Development assistance:			
Near East and Africa.....	63, 000, 000	243, 000, 000	63, 000, 000
Asia.....	80, 000, 000		80, 000, 000
Latin America.....	27, 000, 000		
Subtotal.....	170, 000, 000	243, 000, 000	143, 000, 000
Technical cooperation:			
Bilateral.....	140, 500, 000	140, 500, 000	140, 500, 000
Multilateral:			
UN.....	15, 500, 000	15, 500, 000	15, 500, 000
OAS.....	1, 500, 000	1, 500, 000	1, 500, 000
Subtotal.....	157, 500, 000	157, 500, 000	157, 500, 000
Other programs:			
Special fund.....	100, 000, 000	100, 000, 000	100, 000, 000
Joint control areas.....	12, 200, 000	12, 200, 000	12, 200, 000
U. N. Refugee Fund.....	2, 300, 000	2, 300, 000	2, 300, 000
Escapees.....	7, 000, 000	7, 000, 000	7, 000, 000
U. N. Children's Fund.....	10, 000, 000	10, 000, 000	10, 000, 000
Ocean freight:			
(1) Voluntary agencies.....	1, 400, 000	1, 400, 000	3, 000, 000
(2) Surplus agricultural commodities.....	14, 000, 000	14, 000, 000	
Control Act expenses.....	1, 175, 000	1, 175, 000	1, 175, 000
Administrative expenses.....	35, 250, 000	35, 250, 000	35, 250, 000
Special authorization, Middle East and Africa.....	100 000, 000		100, 000, 000
Foreign reactor projects.....	5, 950, 000	5, 950, 000	5, 950, 000
Total.....	4, 672, 475, 000	3, 667, 475, 000	4, 270, 075, 000
Deduct: Repeal of unappropriated authorization, President's Fund for Asian Economic Development.....		-100, 000, 000	
Net total.....		3, 567, 475, 000	

<sup>1</sup> Not separately identified.

NOTE.—The House bill also authorizes an increase from \$2 million to \$3 million in the ceiling on annual United States contributions to the Food and Agriculture Organization. The Senate committee bill likewise authorizes the increase, with a proviso that United States contributions cannot exceed 31.5 percent of total contributions.

The House bill authorizes appropriations "of such sums as may be necessary" for State Department administrative expenses in connection with the act. The Senate committee bill authorizes not to exceed \$7 million a year for this purpose.



## 2. WHAT THE BILL DOES

Besides the appropriations which are authorized by this bill, a number of changes are made in the existing basic law. The more important of these changes are:

1. The authority for military assistance is divided between funds which are intended for aid to foreign countries directly and funds which can be used only for the replacement of equipment of the United States Armed Forces which has been supplied to foreign countries.

2. Development assistance is required to be placed on a 75 percent loan basis with specified exceptions. This type of aid to Latin America is shifted to the defense support chapter of the bill and may therefore continue to be placed on a grant basis.

3. Authority to issue investment and informational media guaranties is extended from June 30, 1957, to June 30, 1967. The limitation on the total amount of investment guaranties which may be issued is increased from \$200 million to \$500 million. The two types of guaranty programs are separated for purposes of financing and accounting.

4. The ceiling on United States contributions to the Food and Agriculture Organization is increased from \$2 million a year to \$3 million a year, so long as it does not exceed 31.5 percent of the Organization's total budget.

5. Basic statutory authority is provided for certain routine expenditures which have heretofore been authorized from year to year in annual appropriations bills.

6. The uses of foreign currencies accruing under title I of Public Law 480 (Agricultural Trade Development and Assistance Act) are broadened to include (up to \$5 million a year) the translation, publication, and distribution of books and periodicals abroad. The bill also requires that at least 5 percent of these Public Law 480 funds be used for the exchange of persons program.

7. A limitation of \$200 million is placed on unobligated and unreserved balances which can be carried over after June 30, 1956. This is in addition to unobligated balances in the President's Fund for Asian Economic Development and in the account for the relief, rehabilitation, and resettlement of Palestine refugees.

These and other provisions of the bill are explained in more detail in the sections which follow.

*Distribution of fiscal year 1957 mutual security authorization, by region, country, title, and function*

[In thousands of dollars]

Region and country	Military assistance	Defense support	Development assistance	Technical cooperation	Other programs	Total
Total, all programs	2,525,000	1,167,700	143,000	157,500	276,875	4,270,075
Europe, total		78,700			12,200	
Belgium-Luxembourg	XX					XX
Denmark	XX					XX
France	XX					XX
Germany	XX					XX
Italy	XX					XX
Netherlands	XX					XX
Norway	XX					XX
Portugal	XX					XX
Spain	XX	45,000				XX
Yugoslavia	XX	30,000				XX
Joint control areas					12,000	12,000
Interregional expenses		1,200			200	1,400
Western Europe technical exchange		2,500				2,500
Undistributed by country	XX					XX
Near East and Africa, total		170,000	63,000	34,100	100,000	
Egypt				3,800		XX
Ethiopia	XX			3,000		XX
Greece	XX	XX		1,000		XX
Iran	XX	XX		8,000		XX
Iraq	XX			2,300		XX
Israel			XX	2,000		XX
Jordan			XX	2,700		XX
Lebanon			XX	2,100		XX
Liberia				1,800		1,800
Libya			XX	2,000		XX
Turkey	XX	XX		2,000		XX
Overseas territories				1,200		1,200
Regional and undistributed	XX			2,200		XX
Special authorization for the Middle East and Africa					100,000	100,000
Asia, total		882,000	80,000	63,250		
South Asia countries, subtotal		90,000	76,000	24,000		330,217
Afghanistan				3,000		3,000
Ceylon			5,000	1,000		6,000
India			70,000	10,000		80,000
Nepal			1,000	1,000		2,000
Pakistan	XX	XX		9,000		XX
Regional and undistributed	XX	XX				XX
Far East countries, subtotal		792,000	4,000	39,250		
Cambodia	XX	XX		2,500		XX
Indonesia			4,000	8,000		12,000
Japan	XX			2,850		XX
Korea	XX	300,000		5,500		XX
Laos	XX	XX		1,500		XX
Philippines	XX	25,000		5,900		XX
Taiwan	XX	86,000		3,400		XX
Thailand	XX	30,000		4,600		XX
Vietnam	XX	XX		5,000		XX
Far East regional and undistributed	XX					XX
Latin America, total		37,000		33,850		
Argentina				50		50
Bolivia		XX		3,195		XX
Brazil	XX			4,739		XX
Chile	XX			2,521		XX
Colombia	XX			1,536		XX
Costa Rica				1,026		1,026
Cuba	XX			690		XX
Dominican Republic	XX			330		XX



*Distribution of fiscal year 1957 mutual security authorization, by region, country, title, and function—Continued*

[In thousands of dollars]

Region and country	Military assist- ance	Defense support	Develop- ment as- sistance	Techni- cal coop- eration	Other pro- grams	Total
<b>Latin America—Continued</b>						
Ecuador.....	XX			1,993		XX
El Salvador.....				1,005		1,005
Guatemala.....	XX	XX		1,730		XX
Haiti.....	XX			1,152		XX
Honduras.....	XX			1,290		XX
Mexico.....				1,185		1,185
Nicaragua.....	XX			919		XX
Panama.....				1,195		1,195
Paraguay.....				1,684		1,684
Peru.....	XX			2,996		XX
Uruguay.....	XX			619		XX
Venezuela.....				225		225
Overseas territories.....				812		812
Regional and undistributed.....	XX	XX		1,458		XX
Organization of American States (OAS).....				1,500		1,500
<b>Nonregional programs, total.....</b>				26,300	164,675	
United Nations expanded pro- gram of technical assistance.....				15,500		15,500
Special Presidential fund.....					100,000	100,000
United Nations refugee fund.....					2,300	2,300
Escapee program.....					7,000	7,000
United Nations Children's Fund.....					10,000	10,000
Ocean freight, voluntary relief shipments.....					3,000	3,000
Control Act expenses.....					1,175	1,175
Administrative expenses, sec. 411, Mutual Security Act.....					35,250	35,250
Foreign reactor projects.....					5,950	5,950
Interregional expenses.....				10,800		10,800

NOTE.—Columns may not add because of rounding.

XX denotes that assistance is contemplated but figures have been deleted for classification purposes.

**3. COMMITTEE ACTION**

The President's message on mutual security (H. Doc. 358) was laid before the Senate on March 19, 1956, and referred to the Committee on Foreign Relations. Between April 13 and May 31, the committee held 17 days of hearings on the proposed legislation. Eight of the hearings, and part of a ninth, were held in public session. The remainder took place in executive session but the records of these sessions were edited to delete security information and have been made public.

In all, the committee heard 72 witnesses. Among these were Secretary of State John Foster Dulles; Secretary of Defense Charles E. Wilson; Adm. Arthur W. Radford, Chairman of the Joint Chiefs of Staff; Director of the International Cooperation Administration (ICA) John B. Hollister; Assistant Secretary of Defense Gordon Gray; Adm. Lewis L. Strauss, Chairman of the Atomic Energy Commission; Gen. Alfred M. Gruenther, Supreme Allied Commander, Europe; Gen. Lyman L. Lemnitzer, commander, Far East Command; Adm. Felix B. Stump, commander in chief, Pacific; Joseph Campbell, Comptroller General of the United States; John Sherman Cooper, United States Ambassador to India and Nepal; and Senator Paul H. Douglas.

From outside the Government, the committee heard every citizen who requested an opportunity to appear. These private witnesses included former Senator Millard E. Tydings, former United States Ambassador to Canada James H. R. Cromwell, and representatives of the American Federation of Labor-Congress of Industrial Organizations, the United Automobile Workers, Coal Exporters Association of the United States, Inc., National Federation of Independent Business, Cooperative League of the United States of America, American Farm Bureau Federation, American Superphosphate Institute, American Council of Voluntary Agencies, National Congress of Parents and Teachers, Citizens Committee for UNICEF, National Economic Council, World Development Corporation, National Farmers Union, Council for Social Action of the Congregational Christian Churches, Women's International League for Peace and Freedom, American Association of University Women, National Institute of Social Welfare, Americans for Democratic Action, American Veterans Committee, Morocco Post of the American Legion and the American Businessmen's Club of Morocco, and Friends Committee on National Legislation.

The committee considered H. R. 11356 section by section in executive session on June 13, 14, 15, 16, and 18, on which date by a vote of 13 to 2, it ordered the bill reported favorably with an amendment in the nature of a substitute.

#### 4. STATEMENT OF POLICY (SEC. 2)

Section 2 of the bill restates the policy now embodied in section 549 of the Mutual Security Act of 1954, as amended, and adds two new subsections expanding on this policy.

Taken as a whole, this policy statement says four things:

1. Nations which have been assisted in their recovery by previous United States aid programs should share to a greater extent the burden of providing aid to countries still needing assistance.

2. Aid furnished under the act should be administered so as to assist in the attainment of self-government or independence.

3. International communism and the nations it controls endanger the peace of the world and the security of the United States. So long as this danger continues, the United States will help free nations and peoples maintain their freedom.

4. Assistance for newly independent states in Africa should be furnished in the same manner as assistance to other independent states.

Thus, the variety of programs authorized by this bill rest upon two foundations of national policy. Some of these programs are designed to protect the United States from the menace of international communism. Others go beyond a simple, negative policy of anticommunism and seek positively to promote the growth of independence and self-government in a responsible society of free nations. The bill specifically recognizes the emergence of former colonial or semi-colonial areas into independent states by expressing the sense of the Congress that henceforth aid which is furnished to those states should be furnished to them in the same manner as to other independent states—that is, not through the former governing nation. And in all cases, the United States welcomes—indeed, it urges—the



participation in these continuing programs of countries which have already been helped.

The military aspects of the mutual security program are part of the national defense effort. Foreign military assistance is one of the important instruments which the United States uses to increase its own defensive strength by increasing the total defensive strength of the free world. It is one of the means by which we seek to counter the Soviet threat.

The nature of this threat has changed in the last year. The Soviets now emphasize economic and political activities relative to military. So far as our own military programs are concerned, however, the important point is that Soviet military capabilities have not been significantly weakened. Military programs must be concerned with military realities. They cannot be tailored to fit a facade of smiles and sweet talk.

But, however necessary they may be, defensive military activities of the kind authorized by this bill are essentially negative. The positive aspects of the mutual security program are those having to do with economic development and technical assistance. The changing nature of Soviet activities makes these programs more urgent, but they would be in the national interest of the United States if the Soviet Union did not exist.

Irrespective of the Soviet threat, the United States would benefit from a growing rate of economic development in countries such as, for example, India, Pakistan, and Indonesia. Markets for American products, opportunities for American investment, and sources of American imports would be increased. One could also expect a strengthening of those countries' democratic political institutions.

As this is, to a large degree, irrelevant to the Soviet threat, so also is it irrelevant to the creation of gratitude toward the United States. The success or failure of these programs is not to be measured by the popularity rating of the United States in the recipient countries. It is to be measured, rather, by the growth in these countries of institutions and conditions favorable to their national independence and to peace and stability. Such a growth will be in the national interest of the United States, and its results will endure.

The objectives—and also the complexities—of these programs thus go considerably beyond merely countering the Soviet economic and cultural offensive in developing areas of the world. But the fact that the Soviets have undertaken such an offensive makes it all the more important that the United States not withdraw and leave the field to the Kremlin by default. The bill clearly states the intention of the United States not to withdraw.

It is now 8 years since the Congress passed the Economic Cooperation Act of 1948, inaugurating the Marshall plan. In those 8 years, our foreign assistance has had both successes and failures. Despite the mistakes that have been made in carrying out these programs, the committee believes that the Congress and the American people have good grounds for satisfaction. Friends, as well as foes, of these programs should contemplate what the world would be like today, for example, if we had not come to the assistance of Greece and Turkey and of Western Europe, if we had stood aside while Korea and Formosa were overrun by Communist China, if we had done nothing to preserve the independence of Iran, if we had not supplied marginal

help toward the success of the Indian first 5-year plan, if we had not supported the courageous efforts of Ngo Dinh Diem to create a new nation out of chaos in Vietnam.

On the basis of past performance, therefore, the prospects are good that the mutual security program will continue to yield favorable results. But here a word of caution is in order. The committee anticipates that the next few years may be more difficult in some respects than the last few. The problems are becoming subtler and more complex. The mutual security program must be adapted to meet the new circumstances.

There is room for argument as to the precise form this adaptation should take. In this connection, the committee has proposed a careful study of the mutual security program in all its ramifications so that the Senate may have the results of that study before it next year. In the committee's considered judgment, however, it would be an enormous national folly to abandon or drastically to curtail the programs authorized by this bill. There is simply no acceptable alternative to some program involving direct and continued United States interest in the economic development and political freedom of much of the non-Communist world. The committee is firmly of the opinion that any careful, realistic appraisal of the position of the United States in the world today can only result in the conclusion that the mutual security program not only promotes the national interest, but that it is affirmatively required by the national interest.

#### 5. MILITARY ASSISTANCE (SEC. 3)

Section 3 of the bill authorizes \$925 million for military assistance plus \$1.6 billion for replacing equipment and materials of the United States Armed Forces furnished to foreign countries from defense stocks.

In past years, military assistance has been authorized either as a worldwide total or as a series of total figures for geographic areas. The committee this year adopted a new breakdown to give a more realistic picture of the manner in which military assistance funds are actually used and the purposes which they serve.

Under the system now prevailing, approximately two-thirds of all military assistance appropriations are spent for common items, that is, items which are used by the American Armed Forces themselves and are also furnished to foreign forces under the military assistance program. This fact has meant that military assistance funds have contributed to the modernization of American forces. When the military assistance program needs a tank for shipment abroad, for example, it places a common-item order with the Army which in turn provides the tank. Because improvements in all types of equipment are constantly being made in the course of production, the latest items off the assembly line are somewhat better than the earlier items. It is usually the earlier items which are furnished through the military assistance program, while the later items are kept by United States forces.

This is a process which has been financed to a considerable degree by military assistance appropriations, and it is this fact which is recog-



nized by the committee bill. It does not mean that the military assistance program is loaded down with obsolete or secondhand equipment. On the contrary, the policy is to furnish military assistance equipment on an as-good-as-new basis. It means simply that the military assistance program has in it, for example, more F-86 aircraft than F-100 aircraft.

It should also be pointed out that under the accounting system which now exists, the Army, Navy, and Air Force are reimbursed by military assistance appropriations for the cost of a new and often better piece of equipment than that which was furnished. Thus, to an undeterminable degree (estimated by the Comptroller General at \$1 billion), the military assistance program has subsidized the procurement programs of the Army, Navy, and Air Force. Section 11 (b) of this bill (see sec. 26 of this report) changes the definition of value so that these transactions will be brought into better balance, but there will be no change in the fundamental principle involved, namely, that as one consequence of military assistance the United States Armed Forces have generally newer and better equipment than they would otherwise have.

This bill authorizes an appropriation of \$925 million specifically for military assistance. This money will be largely used for services and for such things as administration, military assistance training programs, packing, crating, handling, and transportation, contributions to international military headquarters, foreign military facilities assistance, and the procurement of items not used by American forces—for example, wooden minesweepers and simpler types of weapons suited for the less well-trained and less mobile forces of some of our allies. It will also finance a portion of the advanced new weapons.

The additional sum of \$1.6 billion can be used only to buy equipment and materials for the Armed Forces of the United States in replacement of equipment and materials of a corresponding value furnished from Defense Department stocks under the military assistance program. The bill authorizes replacement in advance of delivery to the military assistance program, thus at no time requiring the depletion of United States equipment which is in use. It also authorizes obligations for replacements to be incurred in anticipation of reimbursement. The replacements will not necessarily be identical items or even items of the same general type; and reimbursement, as in the past, would be made only upon delivery of end items to the military assistance program.

The distinction between these two funds is that the \$925 million fund can be used for any purposes for which military assistance appropriations can now be used; the \$1.6 billion fund can be used only for goods which are used by United States forces.

This arrangement should clarify the present basis of operations of the military assistance program and point up the fact that the program is one which benefits our own defense forces.

The committee gave earnest consideration to the question of the total amount to be authorized for direct military assistance plus replacement for items furnished from United States stocks. The total carried in the bill is \$2,525 million. This is \$600 million more than approved by the House and \$400 million less than requested by the administration.

It should be noted that the authorization for military assistance this year includes funds for direct forces support which have previously been authorized separately. Of the total amount of \$2,925 million requested by the administration, it was contemplated that \$374.3 million would be used for direct forces support—that is, the supply of civilian-type items (for example, gasoline, clothing, truck and automobile tires) directly to the armed forces of a country.

The net administration request for military assistance, in the sense that the term was formerly used, was \$2,550.7 million. This may be compared to \$1,278.0 million requested, \$1,133 million authorized, and \$705 million appropriated last year. For direct forces support, \$317.2 million was requested, authorized, and appropriated last year, compared to the illustrative request of \$374.3 million this year.

The administration's request for military assistance this year was thus roughly twice what it requested last year and more than three times what was actually appropriated. The total authorization recommended by the committee will give the administration, for military end-item assistance plus direct forces support, \$1,502.8 million more than it had for those items last year, but \$400 million less than it requested.

The committee believes that both the increase (as compared to last year) and the cut (as compared to the administration's request) are justified. In connection with the former, it should be remembered that such an increase was clearly anticipated when the Senate acted upon this bill last year. In its report on last year's bill (S. Rept. 383, 84th Cong., 1st sess.), the committee pointed out that the amount recommended for military assistance was "largely composed of items of current expense, and will result in reducing the forward programming of military assistance almost to a standby basis." Further, the committee report said:

New end-item equipment is included in the 1956 program for only a few countries \* \* \* it should be noted that the proposed 1956 program does not meet present needs; all but the most immediate and essential of those needs have been deferred to 1957 or later.

It should be stressed that the military assistance program is based upon the realistic requirements necessary to meet force goals in each of the recipient countries. A reduction in the program does not mean a reduction in the requirements; it means only a stretch-out in the time needed to fill the requirements. Despite the increase compared with last year, the proposed program for fiscal 1957 makes no provision for a buildup of forces beyond previously fixed objectives.

The program continues to be one largely of maintenance, of supplying spare parts, and of training. If these needs are not met there may



actually be deterioration in the foreign forces which we are helping to support. These are items which are largely nonpostponable. Direct forces support falls into the same category. Reductions in appropriations, therefore, have to be absorbed from new items.

On the basis of the appropriation authorized by this bill, the 1957 program is estimated to consist of:

	Millions		Millions
Fixed charges-----	\$255	Facilities assistance-----	\$25
Spare parts-----	510	Mutual weapons development---	48
Ammunition-----	283	Advanced weapons-----	376
Direct forces support-----	374	Training-----	103
Aircraft-----	217	Other-----	20
Navy vessels-----	191		
Other materiel-----	153	Total -----	2,600
General purpose vehicles-----	45		

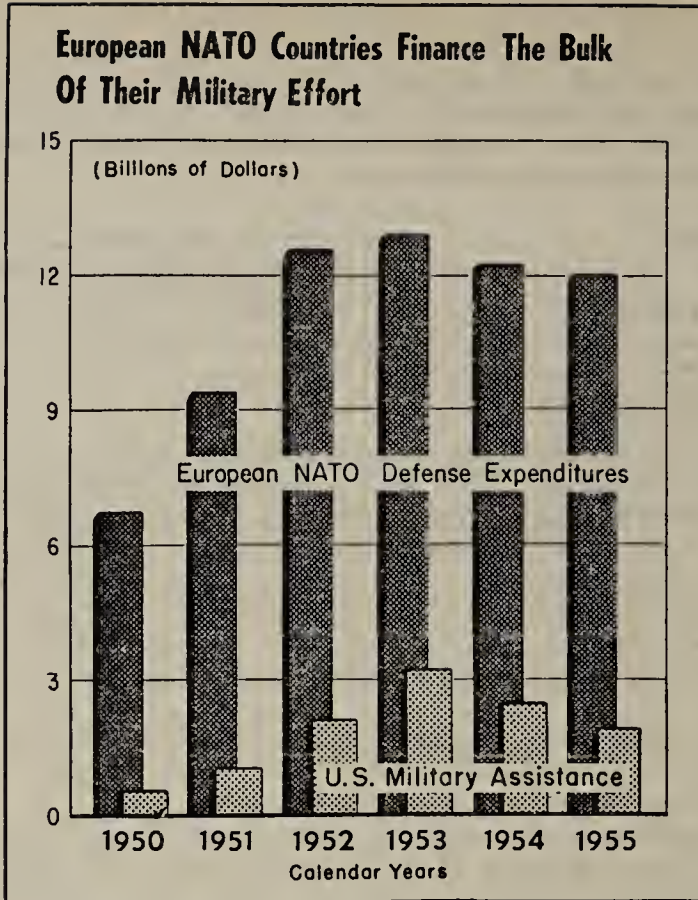
The most important new element this year is the category of advanced new weapons. This item accounts for \$530 million in the administration's total request, reduced to \$376 million in the illustrative breakdown of the reduced authorization. These weapons are not nuclear. They have to do, rather, with missiles, advanced electronics systems and things of that type. General Gruenther described these new weapons as "absolutely necessary \* \* \* vital for the development of our military posture, and essential to our strategy" (Hearings, p. 1023).

If this portion of the program is authorized in fiscal 1957, the weapons cannot be delivered until 1959 or later. It is, therefore, important that the authorization not be longer postponed.

The committee is encouraged by statements of administration witnesses that some speedup in deliveries of previously ordered equipment is in prospect for fiscal 1957. For the fiscal years 1950 through 1956, total military assistance programed amounted to \$19.7 billion. But of this amount, as of February 29, only \$13.7 billion, or 70 percent, had actually been delivered. This in itself is evidence of some degree of overprograming, and it was taken into account by the committee in reducing the administration's request.

The committee also takes occasion once more to urge the Defense Department to press ahead more vigorously with activities designed to increase the maintenance capabilities of countries receiving military assistance, so as to make possible future reductions in requests for items such as spare parts and replacements.

The sum authorized by this bill for military assistance is a large one. The figures for individual countries are classified, but are available, along with other details of the program in the committee room, for any interested Senator. It can be said, however, that NATO, Korea, and Formosa account for almost two-thirds of the total.



Although the committee doubts the wisdom of any substantial cuts in military assistance to these areas, it is unconvinced of the necessity for the full amount recommended by the administration. Except for NATO, there is a question as to the absorptive capacities of the countries concerned. Unless military assistance is given a higher priority within the Defense Department, there is a further question of the ability of that Department to deliver on a program of the size requested.

On balance, it is the considered judgment of the committee that the amount authorized by the bill is a reasonable minimum to accomplish the objectives of the program. It is unlikely that a larger amount could be wisely spent. A lower amount would represent an unacceptable gamble with the national security.

Section 3 (b) of the bill strikes out sections 105 (c) and (d) of the bill as well as references to these subsections in other sections of the Mutual Security Act. The stricken sections established delivery ceilings on military assistance to different geographic areas and allow a 15 percent transferability between areas. The delivery ceilings were cumulative since the passage of the Mutual Defense Assistance Act of 1949 and have become obsolete in view of the more recent practice of Congress of authorizing and appropriating military assistance funds on a worldwide basis.



## 6. DEFENSE SUPPORT (SEC. 4)

The bill authorizes a total of \$1,167,700,000 for defense support, as follows:

Europe (excluding Greece and Turkey)-----	\$78, 700, 000
Near East (including Greece and Turkey) and Africa-----	170, 000, 000
Asia-----	882, 000, 000
Latin America-----	37, 000, 000

The total is \$37 million more than the administration had requested (accounted for by a transfer of aid to Latin America from development assistance to defense support) and \$15 million more than the House approved (accounted for by restoration of the European program to the level requested by the administration).

The executive branch illustrative presentation shows the following unclassified country breakdown:

	<i>Thousands of dollars</i>
Europe:	
Spain-----	\$45, 000
Yugoslavia-----	30, 000
Interregional expenses-----	2, 000
Western Europe technical exchange-----	2, 500
Far East:	
Korea-----	300, 000
Philippines-----	25, 000
Taiwan-----	86, 000
Thailand-----	30, 000

In addition, the following countries will receive defense support in amounts which are classified: Greece, Iran, Turkey, Pakistan, Cambodia, Laos, and Vietnam.

In the case of Latin America, the administration had programed development assistance, instead of defense support. Only two countries—Bolivia and Guatemala—are involved. The amount for each is classified, but the total, in the administration program, came to \$27 million. In increasing this figure by \$10 million, the committee intends \$5 million to go to Guatemala and \$5 million to be available for use generally in the area.

The committee gave serious consideration to the question of whether assistance to Latin America should be increased substantially beyond what is authorized in the bill. Proponents of greater aid to Latin America make a very persuasive case on the basis that this area, which is so close and so important to the United States, receives only small percentages of our worldwide foreign assistance. What this argument overlooks, however, is that the need for assistance of the type provided by this bill is much less in Latin America than in other parts of the world. Further, the other dollar resources available to Latin America are much greater than those available to other parts of the world. For example, Latin America earns almost \$3.5 billion a year from trade with the United States. Over the period 1947–1954, United States private investments in Latin America averaged about \$400 million a year. And, in addition, Export-Import Bank loans to Latin America averaged more than \$200 million a year. The committee hopes that the Export-Import Bank will be able to lend even more money in the future.

In this connection, it should be pointed out that the inclusion of Latin American assistance in the defense support section of the bill

makes it possible for this assistance to be extended on a grant basis. The bill provides a total of approximately \$100 million for Latin America—\$37 million for defense support, \$33.9 million for technical cooperation, and an amount for military assistance which, on the basis of the administration's full request, came to \$35.5 million.

Defense support is economic assistance designed to enable a country to support a larger military establishment than would otherwise be possible. Approximately three-fourths of the total authorized this year is for Asia, and of that amount more than half is for Korea and Vietnam.

As a general rule, defense support is furnished in lieu of development assistance to countries receiving military assistance. This concept is stretched somewhat in the pending bill, particularly so far as Latin America is concerned. Of the only two Latin American countries involved, one, Bolivia, receives no military assistance at all, and the other, Guatemala, receives only a very small amount. In these countries, as also in some Asian countries, such as particularly Pakistan and Iran, the purpose is in fact more economic than military.

So far as the practical effect of the assistance is concerned, it does not make very much difference whether it is called defense support or development assistance. The principal distinction is that different sets of conditions apply to the two categories. To receive defense support, a country must sign an agreement under section 142 of the Mutual Security Act providing among other things that it will—

fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party; \* \* \* make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic conditions to the development and maintenance of its own defensive strength and the defensive strength of the free world; \* \* \* take all reasonable measures which may be needed to develop its defense capacities; \* \* \*

and

furnish equipment and materials, services, or other assistance consistent with the Charter of the United Nations, to the United States or to and among other nations to further the policies and purpose of chapter 1 of this title [i. e., military assistance].

Nations receiving development assistance are not required to sign these agreements. But development assistance is furnished largely on a loan basis; defense support is largely on a grant basis. Thus, nations which sign section 142 agreements do not ordinarily have to repay the United States for economic aid; nations which do not sign the agreements do have to repay most of the aid.

This distinction does not apply in the case of Latin American countries which are parties to the Rio Treaty and to the Caracas Declaration against the intervention of international communism in the Western Hemisphere. All Latin American countries are parties to the Rio Treaty and all but Mexico have adhered to the Caracas Declaration.



This means that these Latin American countries may receive aid on a grant basis without signing section 142 agreements, and that, unlike other defense support funds, this aid may be used for purposes primarily directed to economic development and unrelated to military efforts.

In countries such as Korea, Vietnam, and Taiwan, defense support has a much more direct relation to military purposes. In these countries, the level of armed forces which must be maintained is far beyond the capacity of the local government. The whole military program, which is of great importance, would fail in the absence of economic support.

To a large degree, this support takes the form of supplies and equipment and of financing the import of saleable commodities which are sold for local currency which in turn is used further to carry out the purposes of the program. Supplies, equipment, and other commodities programed by the administration to be financed out of defense support funds in fiscal 1957 amount to \$1,032,443,000, or almost 90 percent of the total authorized for defense support. Included are:

Grain-----	\$107, 600, 000	Petroleum-----	\$56, 850, 000
Cotton-----	82, 200, 000	Raw materials and semi-	
Fats and oils-----	24, 300, 000	finished industrial	
Dairy products-----	24, 000, 000	products-----	314, 843, 000
Fertilizers-----	68, 190, 000	Machinery and vehicles--	285, 246, 000
Coal-----	23, 200, 000		

#### 7. ASSISTANCE TO YUGOSLAVIA (SEC. 5)

Section 5 of the bill provides that, effective 90 days after its enactment, no assistance shall be furnished to Yugoslavia unless the President finds—

(1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this Act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, and (2) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia \* \* \*.

The committee views this section primarily as a statement of congressional concern over the state of our relations with Yugoslavia and particularly the state of Yugoslav relations with the Soviet Union. Section 141 of the Mutual Security Act of 1954, of course, forbids military assistance or defense support (the only types of aid received by Yugoslavia) to be furnished to any nation—

unless the President shall have found that furnishing such assistance will strengthen the security of the United States and promote world peace.

The new section in this bill emphasizes the additional point that assistance to Yugoslavia is predicated upon that country's independence. The United States believed that the interests of world peace and freedom were advanced when Yugoslavia reasserted its independence from the Kremlin. The United States wants to see it retain that independence. If, unhappily, it should not, then the justification for

United States military assistance and defense support would no longer exist.

In the committee's view, this is a determination which can be made most appropriately by the President. The course of events in Yugoslavia obviously calls for some reexamination, but it would be unwise for Congress to act with finality upon the basis of the information now available.

Some other aspects of our policy toward Yugoslavia are set forth in more detail in the following letter from the Secretary of State to the chairman of the Committee on Foreign Relations:

DEPARTMENT OF STATE,  
*Washington, June 13, 1956.*

DEAR SENATOR GEORGE: I welcome the opportunity presented by your letter of June 6 to make it clear that the Department vigorously opposes Senate bill 4001 which seeks to cut off all United States assistance to Yugoslavia.

Within the past 6 months, the executive branch of this Government, with the participation of the President, has reviewed the question of United States policy toward Yugoslavia, and both the programs now being implemented and those proposed in the mutual security bill before your committee are consonant with and in support of the national policy thus established.

During the deliberations at all levels which preceded the final formulation of United States policy in the executive branch, all of the many and frequently complicated factors which enter into United States relations with Yugoslavia were given the most careful attention. In their own independent deliberations on mutual security programs for Yugoslavia, the members of your committee, and of the entire Senate, may find helpful the following summary of the principal considerations which weighed most heavily with the executive branch in determining the final policy adopted.

It was agreed that the American attitude toward Yugoslavia had to be formulated in the context of the overall foreign policy of the United States which seeks to meet the basic challenge to American national security and economic well-being emanating from the Soviet Union. The expansionist tendencies of the U. S. S. R. have been particularly apparent in Europe, where the U. S. S. R. now sits astride the middle of the continent and has stifled all but the illusory sovereignty of a number of once independent countries in Eastern Europe. In this area, only one nation, Yugoslavia, has had both the opportunity and the steadfastness to stake its virtual existence as an independent State on a defiance of Moscow's ambitions to dominate it, and the United States can take satisfaction from its record of support for Yugoslavia during the recent years of crisis.

It is natural, of course, that the focus of attention today rests on Yugoslavia's present position, which is symbolized in part by the visit of President Tito to the U. S. S. R. In essence, however, this visit, like the widely noted trip of the Russian leaders to Belgrade in May 1955, marks an acceptance by the Soviets of the defeat of their efforts to press Yugoslavia into the satellite mold. It is no wonder, therefore, that the Kremlin is trying to gloss over the failure of its anti-Tito policies from 1948 through 1953 by assiduously wooing Belgrade



and by working to undermine the manifold Yugoslav ties with the West built up since 1948.

Since the Yugoslav regime is a Communist one, it is understandable that its leaders now look hopefully to the Kremlin to rescue the U. S. S. R. and the worldwide reputation of communism from the disrepute to which the totalitarian system perfected by Stalin brought it. In that sense, the United States cannot overlook the tendencies in Yugoslavia toward rapprochement with the Soviet Union induced both by ideology and by the memories of long Communist Party collaboration prior to 1948. Also to be taken into account is the weakness of the Yugoslav economy which still requires much help from abroad and which cannot afford to pass up the relatively generous offers of credits and trade from the Soviet orbit. Finally, the Yugoslavs have welcomed and seek to take advantage of the normalization of their formerly beleaguered frontiers with the neighboring Soviet orbit countries.

None of this obscures the fact, however, that decisions on Yugoslav Government problems and policies are being made in Belgrade and not in Moscow. To be sure, many of these decisions in the foreign-policy field do not correspond with our own. This is partly understandable in the light of Yugoslavia's different geographical, economic, historical, and ideological circumstances. Yet there has been no credible evidence that President Tito wishes or is going to enter into a subservient status vis-a-vis the Soviet Union. Moreover, it is illogical that he should wish to do so, especially in view of his presently favorable international position vis-a-vis East and West, and of his record since 1948, unless dire economic necessity forces him to become over-dependent on the U. S. S. R. without the alternative availability of American assistance. The Yugoslav portion of the pending mutual security legislation is designed to contribute toward preventing that situation from arising. Its enactment would also be a sign to other West European countries, almost all of which have cordial relations with Yugoslavia, that the United States, as of the present, sees no cause for a major shift in its Yugoslav policy. Such an American judgment would coincide with the conclusions reached lately by a number of responsible West European statesmen.

It is evident that the state of United States-Yugoslav relations has important implications for Eastern as well as Western Europe. Docile as they have been in Soviet hands, the satellite chieftains cannot fail to have secretly admired Belgrade's resistance to Moscow in the cause of national independence and to be envious of Moscow's present generosity toward Yugoslavia as compared with its parsimony toward themselves. Undoubtedly, these rulers will be anxious to take advantage of whatever greater degree of independent action is permitted them by the new Soviet leadership, and it may well be useful for them to know that the United States is holding to its record of assisting nations, such as Yugoslavia, which make efforts to assert and preserve their independence.

I am aware that there is considerable criticism in this country of the system of government now prevailing in Yugoslavia. Properly speaking, the nature of another nation's regime is of no official concern to the United States Government, provided that such regime is not associated with the worldwide movement still directed from Moscow with

the aim of subverting the independent states not in the Soviet bloc. Yugoslavia does not now seem to be cooperating with this phase of Soviet endeavor and, indeed, gives indications of its disapproval of the continued Soviet effort to expand its orbit and "export" its revolution. Still, I should make clear that this Government recognizes that a dictatorship prevails in Yugoslavia and that an unfortunate denial of some human freedoms still persists there. On the other hand, fairness requires that this situation be compared with the Soviet-type political conditions prevailing in Yugoslavia 8 years ago, and any such comparison will demonstrate that there have been substantial ameliorations for the average citizen brought on both by the regime's critical reexamination of some of its own tenets and practices and by the influence of its expanding official and unofficial contacts with the West.

In reviewing the elements which have entered into the recent formulation by the executive branch of United States policy toward Yugoslavia, I have, to be sure, not meant to imply that this evaluation was final and definitive for the Executive. As you know, procedures are in operation within the executive branch to insure that all policies toward individual countries are kept under continuing review regarding their effectiveness and correctness, and this applies, of course, to the Yugoslav case. It is our aim to remain alert to the implications of new international developments for existing programs, and before new appropriations were obligated for Yugoslavia, the Department would in any event review the then-current situation, whether there were a congressional mandate to this effect or not. It is my hope, however, which I know the President has shared, that the Congress will not want to deprive us of the instrumentalities and funds whereby the executive branch will be enabled to pursue the flexible policy toward Yugoslavia which is needed to counter the present Soviet drive to retrieve its own failure in Yugoslavia since 1948.

Sincerely yours,

JOHN FOSTER DULLES.

#### 8. DEVELOPMENT ASSISTANCE (SEC. 6)

This section of the bill authorizes a total of \$243 million for development and other economic assistance, distributed as follows:

	<i>Million</i>
Near East and Africa-----	\$63
Asia-----	80
Special authorization, Middle East, and Africa-----	100

These are the same amounts as requested for these purposes by the administration and as passed by the House. The bill carries a proviso that 75 percent of these funds may be used only on a loan basis with two exceptions: (1) when they are used to finance sales of surplus agricultural commodities; and (2) when they are used for a regional project involving two or more beneficiary nations. And, no more than 25 percent can be used for bilateral dollar expenditures.

This loan requirement deserves emphasis. The committee seriously considered requiring all of these funds to be used on a loan basis. It did not do so because, in the present state of the world, such a requirement would defeat the purpose of the bill in a few countries. Some latitude must be allowed for grants.



The committee feels, however, that it is important to establish the loan principle in programs of this character. The conduct of these programs on a loan basis should do much to improve political relations between the United States and the other countries involved by removing the irritant which is inevitably present in the donor-grantee relationship. There is considerable evidence that the other countries themselves would prefer to get loans than to receive gifts. The committee realizes that the borrowing capacity of many of the countries involved is too low to support hard loans of the magnitude authorized. The bill, however, authorizes the President to make the loans "on such terms and conditions \* \* \* as he may specify." The committee does not expect the President to take a banker's approach to this matter. On the contrary, it expects the bulk of the loans to be for long terms at low interest rates.

In this way, assistance is more likely to be tied to specific projects, and is, therefore, more likely to be more effective in accomplishing its purpose. The loan provision should likewise serve to put program planning on a more concrete basis.

The \$63 million authorized for development assistance in the Near East and Africa is intended for Egypt, Israel, Jordan, Lebanon, and Libya. The amounts for each country are classified, but these amounts, together with supporting data, are available in the committee room for the inspection of any interested Senator. In general, however, it may be said that plans contemplate such projects as the supply of power transmission and telephone equipment, railroad rolling stock, highway machinery, irrigation surveys, grain elevators, and roads to link agricultural producing areas with markets. In the case of Israel, the assistance will largely consist of commodity imports, as German reparations are supplying most of Israel's capital goods requirements:

The \$80 million authorized for Asia consists of:

Ceylon-----	\$5, 000, 000	Nepal-----	\$1, 000, 000
India-----	70, 000, 000	Indonesia-----	4, 000, 000

The Indian program is closely related to the Indian Government's own development efforts. The first 5-year plan, which ended in the spring of 1956, was aimed primarily at increasing Indian food production and in this respect it exceeded its goals. There was a shortfall, however, in the industrial phases of the plan. The second 5-year plan, now getting underway, emphasizes industrial development. In some respects, it will present more difficult problems than the first plan.

It is important to the interests of the United States that India succeed in her efforts for economic development. American assistance plays a small but crucial part in the program. The second 5-year plan calls for total public expenditures on development over the 5-year period of \$10.1 billion. This may be compared with proposed United States assistance of \$80 million in the first year (\$70 million development assistance plus \$10 million technical cooperation). American aid thus amounts to less than 5 percent of the Indian Government's own efforts on an annual basis.

The aid program in fiscal 1957 will include grain storage, power projects, transportation facilities, and a continuation of the spectacularly successful malaria control program.

The special authorization of \$100 million for the Middle East and Africa is designed, over and above the individual country programs, to give the President authority and funds to take advantage of opportunities which may present themselves to contribute to peace and stability in the area. Although the fund may be used for individual country assistance and is not limited to regional projects, it is the hope of the committee that it can be used to promote the economic growth of the area as a whole. There is no need to emphasize the extremely critical and unsettled condition prevailing in the Middle East today. The situation in Africa is also changing rapidly and projects which are not now foreseeable may develop quickly in the future.

The special authorization for the Middle East and Africa may be used for defense support, for development assistance, for technical cooperation, or for relief, rehabilitation or resettlement of Palestine refugees. Regardless of purpose, however, it must be used in compliance with the 75-percent loan requirement.

Throughout the Middle East and Africa as well as Asia, there is the need for the kind of flexibility provided by this fund and for the imaginative administration required to take advantage of it. This is why the committee struck from the House bill the paragraph repealing the President's Fund for Asian Economic Development. This fund was authorized last year (sec. 418 of the Mutual Security Act) in the amount of \$200 million, available until June 30, 1958. Only \$100 million was appropriated last year, leaving an unappropriated authorization of \$100 million. By virtue of the committee's action, this authorization remains in the law, subject to appropriation this year or next year.

Finally, it should be noted that section 6 (a) (1) of the bill also adds a new subsection (e) to section 201 of the Mutual Security Act. This new subsection authorizes the use of development assistance funds for nonadministrative expenses to assist in carrying out functions delegated to the International Cooperation Administration under the Agricultural Trade Development and Assistance Act (Public Law 480). As sales of surplus agricultural commodities under title I of Public Law 480 increase, the tasks of ICA also increase in this respect. It is contemplated that the funds authorized under this section of the bill will be used for such nonadministrative expenses as, for example, engineering advice on how best to use those foreign currencies accruing under Public Law 480 for which ICA is assigned responsibility.

#### 9. BILATERAL PROGRAMS OF TECHNICAL COOPERATION (SEC. 7 (a) AND 7 (c))

The bill authorizes appropriation of a total of \$157,500,000 for various programs of technical cooperation in fiscal 1957. Of this amount, \$140,500,000 is for bilateral programs, \$15,500,000 is for the United States contribution to the United Nations expanded technical-assistance program, and \$1,500,000 is for the United States contribution to the technical assistance program of the Organization of American States.



In the illustrative programs presented to the committee by the executive branch, it is proposed to use the \$140.5 million in bilateral technical assistance funds as follows:

[In thousands of dollars]

Near East and Africa:

Egypt	3,800
Ethiopia	3,000
Greece	1,000
Iran	8,000
Iraq	2,300
Israel	2,000
Jordan	2,700
Lebanon	2,100
Liberia	1,800
Libya	2,000
Turkey	2,000
Overseas territories	1,200
Regional and undistributed	2,200
Subtotal	34,100

Asia:

South Asia:

Afghanistan	3,000
Ceylon	1,000
India	10,000
Nepal	1,000
Pakistan	9,000
Subtotal	24,000

Far East:

Cambodia	2,500
Indonesia	8,000
Japan	2,850
Korea	5,500
Laos	1,500
Philippines	5,900
Taiwan	3,400
Thailand	4,600
Vietnam	5,000
Subtotal, Far East	39,250

Subtotal, Asia 63,250

Latin America:

Argentina	50
Bolivia	3,195
Brazil	4,739
Chile	2,521
Colombia	1,536
Costa Rica	1,026
Cuba	690
Dominican Republic	330
Ecuador	1,993
El Salvador	1,005
Guatemala	1,730
Haiti	1,152
Honduras	1,290
Mexico	1,185
Nicaragua	919
Panama	1,195
Paraguay	1,684
Peru	2,996
Uruguay	619

[In thousands of dollars]

## Latin America—Continued

Venezuela	225
Overseas territories	812
Regional and undistributed	1,458
Subtotal, Latin America	32,350
Interregional expenses	10,800
Grand total	140,500

By major activity field, the following programs are proposed :

[In thousands of dollars]

Agriculture and natural resources	31,828
Industry and mining	15,836
Transportation	7,411
Labor	3,233
Health and sanitation	16,380
Education	25,303
Public administration	9,862
Community development, social welfare, and housing	5,245
General and miscellaneous	14,602
Other costs	10,800
Total	140,500

In terms of major cost components, the program breaks down like this:

[In thousands of dollars]

Grants to cooperative services	8,109
Supplies and equipment	15,693
United States employed technicians	43,538
Contract services	33,161
Participants (i. e., foreigners trained in United States)	18,906
Other costs	21,093
Total	140,500

In its annual reviews of the technical cooperation program, as well as in special studies which it has made from time to time, the committee has been impressed with the value of this program to the United States national interest. The committee has likewise been impressed with the widespread—indeed, the almost universal—public support for this program within the United States. The program has also been supported annually by Congress at approximately the level recommended for 1957.

Although the administration of the program has not been without its faults, the committee is convinced that on the whole the program is a sound one and should be continued as recommended in the pending bill.

The committee is pleased to note that the item for supplies and equipment is only 11.2 percent of the total, the lowest proportion in recent years. The point has frequently been made that technical cooperation is a program for extending knowledge and skills. As such, it does not call for large amounts of supplies and equipment, though some minimal quantities are necessary for purposes of demonstration. The low percentage of supplies and equipment planned for 1957 is welcome evidence of a reversal of an earlier tendency to make technical assistance an economic impact program rather than a training program.



The funds authorized will provide for a total of 4,389 technicians to be sent abroad by the United States and for 5,731 foreign trainees to come to the United States or elsewhere for training. Of the technicians, 2,909 will be Government employees and 1,480 will be provided for by contract. The committee notes that the cost of Government-employed technicians will average \$14,967 each, while the cost of contract technicians will average \$22,406.

The higher cost of contract technicians tends to confirm the impression of this committee's Subcommittee on Technical Assistance Programs as previously reported to the Senate (S. Rept. 1956, May 1956) that contracts—

have been resorted to in many instances as a personnel recruitment device and as a means of avoiding Government salary ceilings.

The committee takes this occasion to underwrite the subcommittee's recommendation that this aspect of private contracting procedures be reviewed by the International Cooperation Administration and the Department of State.

At the same time, the committee recognizes that private contracting has an important role in the technical cooperation program and it does not wish to discourage in any way the use of such contracts where appropriate.

Section 7 (c) of the bill makes a technical, but important, amendment to existing law in this regard.

Section 307 of the Mutual Security Act of 1954, as amended, now provides, among other things, that a contract may "run for not to exceed three years." Section 7 (c) of the bill would amend that section to provide that such contracts may "extend at any time for not more than three years."

The purpose of the amendment is to make it clear that such contracts may be renewed for periods of not more than 3 years. This is particularly important with regard to college contracts, i. e., those which are made between an American college and a foreign institution and which are underwritten by ICA. Many of these contracts involve long-term projects which are not completed within 3 years. The contracts should be extended in order not to lose the benefit of the work already done and the relationships already established. It is important, also, that American universities participating in these contracts know what to expect so that they can plan for their own future.

The amendment proposed by this bill does not change the requirement of existing law that the contracts are "subject to any future action of the Congress."

In this connection, however, the committee feels impelled to express its dissatisfaction with ICA administration of the college contract program. ICA should give urgent attention to developing procedures for the more rapid servicing of university contracts and for avoiding the intolerable delays which have characterized this program heretofore.

This program has great potentialities, but if colleges are to be expected to participate, they have a right to know what their status is and what ICA's intentions are. Indeed, they must know if they are to

plan their own programs intelligently. This situation demands prompt corrective action.

#### 10. UNITED NATIONS TECHNICAL ASSISTANCE (SEC. 7 (b) (1))

The bill authorizes \$15.5 million as the United States contribution to the United Nations expanded technical assistance program. The contribution will be made from fiscal year 1957 funds for the United Nation's calendar year 1957 program. It will amount to not more than 50 percent of the total contributions to the U. N. program's central fund. This is the same ratio as is being contributed in 1956.

The following table shows the steady growth of the United Nations program accompanied by a decline in the United States percentage contribution:

[In millions of dollars]

Calendar year	Other gov- ernments	United States	Total	United States percentage
1950-51.....	8.0	12.0	20.0	60.0
1952.....	7.4	11.4	18.8	60.0
1953.....	9.6	12.8	22.4	57.0
1954.....	11.4	13.9	25.3	55.0
1955.....	13.0	15.0	28.0	53.6
1956.....	<sup>1</sup> 14.5	<sup>1</sup> 14.5	29.0	50.0
1957.....	<sup>1</sup> 15.5	<sup>2</sup> 15.5	31.0	50.0

<sup>1</sup> Estimated.

<sup>2</sup> Proposed.

This trend, it seems to the committee, is an entirely healthy one and should be continued.

Although the U. N. program operates in substantially the same fields of activity and in many of the same countries as the United States bilateral program, the two programs supplement, rather than duplicate, each other. In certain fields and in certain situations, each has advantages over the other. Among the more important advantages of the U. N. program are:

1. Advice and assistance rendered under multilateral auspices are more acceptable in some countries. The U. N. can frequently enter situations where the United States, for political reasons, cannot. The U. N. can consequently bring about results which are in the national interest of the United States but which the United States itself could not achieve.

2. It is frequently easier for the U. N. to recruit qualified technicians in countries other than the United States. This is particularly the case in such fields as tropical medicine. Foreign technicians also sometimes have language skills not abundantly available in the United States. Finally, foreign technicians sometimes have fewer problems of personal adjustment. This is especially true of technicians from countries in an intermediate stage of development working in less well-developed countries.

3. Participation in the multilateral U. N. program has important political advantages to the United States. It demonstrates that we are willing to join with other nations in cooperative endeavors for the improvement of living standards. Curtailment of United States support of the U. N. program would, in the opinion of the committee, have seriously adverse political consequences for the United States.



11. ORGANIZATION OF AMERICAN STATES TECHNICAL ASSISTANCE  
(SEC. 7 (b) (2))

The bill authorizes \$1,500,000 as the United States contribution, in fiscal year 1957, to the calendar year 1957 technical cooperation program of the Organization of American States. This is the same amount as was appropriated for 1956, but it is anticipated that actual contributions in 1956 will amount to only \$1,200,000. This arises because of the United States policy against contributing more than 70 percent of the total. The committee deems it advisable that the full amount of \$1.5 million be approved, however, so that it will be available if contributions from other countries increase.

The OAS technical cooperation program consists of seven regional projects in the fields of economic statistics, housing, rural education, natural resource evaluation, children's welfare, agriculture, and foot-and-mouth disease control.

The program is relatively small, dollarwise, but one with important economic and political benefits to the United States. In the judgment of the committee, it deserves continued support at the scale recommended.

12. SPECIAL FUND (SEC. 8 (a))

Section 8 (a) of the bill increases from \$50 million to \$150 million the amount of funds otherwise made available under the act which can be used by the President in his special fund. It likewise increases the amount which can be used in any one country from \$20 million to \$30 million. Under this authority and within its limitations, the President may use any funds made available under the act for purposes deemed essential to the security of the United States without regard to the requirements of the Mutual Security Act or any other act for which funds are authorized by the Mutual Security Act.

The bill also authorizes a separate appropriation of \$100 million for the special fund, in addition to the authority to use \$150 million of other funds available under the act.

The committee deems this provision of great importance in investing the Executive with the necessary latitude and flexibility to meet international emergencies and new requirements which may arise during fiscal year 1957. It has been demonstrated by past operations that this special fund is needed to deal with unforeseen contingencies, and with those programs which, at the time of congressional presentation, were not firm enough to be included.

Examples of the type of action made possible by this fund during fiscal 1956 are hurricane relief in Haiti, flood relief in India and Pakistan, additional requirements of Korea, and relief necessitated by the unusually severe winter in Europe.

In view of the recent Soviet maneuvers in the field of economic and technical assistance, it is important that the administration retain its capacity to move quickly in emergencies and to take advantage of new opportunities as they develop during the fiscal year.

A technical amendment is also made in the language of section 401 of the Mutual Security Act. This section, among other things, authorizes assistance to refugees from Soviet bloc areas, including "Com-

munist-dominated or Communist-occupied areas of Germany and Austria." In recognition of the attainment of Austrian independence and the withdrawal of Russian occupation forces since this section was first enacted, the words "and Austria" are deleted.

### 13. SURPLUS AGRICULTURAL COMMODITIES (SEC. 8 (b))

Mutual security legislation for fiscal years 1955 and 1956 (sec. 402) required that not less than \$350 million and \$300 million respectively should be used to finance the export and sale for foreign currency of surplus agricultural commodities of the United States. For fiscal 1957 the required minimum, approved by the committee, is \$250 million.

The reason for this declining trend lies in the continuing shift in emphasis of the mutual security program from Europe to Asia. The less developed countries, now recipients of the greater part of United States assistance, are largely agricultural, and some of them are themselves looking for markets for their own agricultural production. These countries, moreover, need aid for other purposes which cannot be met through surplus commodities. Inasmuch as the emphasis of the aid program will remain on underdeveloped areas, there will be fewer opportunities to use agricultural commodities.

The committee emphasizes, however, that the \$250 million requirement of the bill is a minimum. The administration should take full advantage of whatever opportunities develop during the year for disposing of more than the required amount of surpluses.

It should be noted that actual sales of surplus agricultural commodities have in the past exceeded the requirements of section 402. In fiscal 1955, sales amounted to \$467 million against a requirement of \$350 million, and in 1956, it is anticipated that such sales will total \$349 million against a requirement of \$300 million.

The estimated composition of the fiscal 1957 program is:

	<i>Million</i>
Bread grains.....	\$110.7
Cotton.....	93.2
Fats and oils.....	12.3
Coarse grains.....	9.0
Dairy products.....	21.0
Other.....	3.8
<b>Total.....</b>	<b>250.00</b>

### 14. JOINT CONTROL AREAS (SEC. 8 (c))

For special assistance in joint control areas, the administration requested and the committee approved an authorization of \$12,200,000. This compares with \$21 million authorized and appropriated for fiscal year 1956.

The assistance contemplated is largely in Berlin. This city, isolated from West Germany, has long been of unusual importance and concern to the three Western occupation powers, which still carry the responsibility for the city. Its isolation also produced unusual problems, which make continued assistance necessary. Although unemployment has been reduced, it still amounts to 14 percent of the labor force. The city consumes more than it produces, leaving a \$400 mil-



lion gap between exports and imports. The situation is further aggravated by the steady influx of refugees from the eastern zone of Germany.

Although the Federal Republic of Germany has increased annually its assistance to the city, now at about \$300 million a year, marginal outside economic help is still required. Morally, and as a result of responsibilities retained by the three Western occupying powers under the Paris-Bonn agreements, continuation of this assistance—on a reduced basis—is unquestionably necessary.

Although Austria has now happily regained its independence, it comes under the definition of joint control areas in section 403 of the Mutual Security Act of 1954—namely, “nations and areas for which the United States has responsibility at the time of the enactment of this act [i. e. August 26, 1954] as a result of participation in joint control arrangements \* \* \* “A small technical exchange program for Austria is planned with the funds authorized under this section for 1957.”

#### 15. REFUGEES AND ESCAPEES (SEC. 8 (d))

For United States contribution to the United Nations Refugee Fund (UNREF), the executive branch requested and the committee approved an authorization of \$2,300,000 to be appropriated for fiscal 1957. Of this amount, \$1,500,000 will cover the United States' calendar year 1956 contributions and \$800,000 will be the contribution for the first half of 1957. It is desirable that at least part of the calendar 1957 contribution be authorized and appropriated in advance so that the management of the fund will have a firmer basis on which to plan.

The appropriation authorized in this bill will enable the United States Government to make a firm commitment for the first 6 months of the next year when the annual pledging conference is held in the fall.

UNREF was established for a 4-year period by the General Assembly of the United Nations in 1954 to deal with the problem of the remaining World War II refugees. Last year, after less than a year of active operations, UNREF was awarded the Nobel Peace Prize for its worthy humanitarian efforts on behalf of these residual refugees.

As the committee pointed out in its report last year, UNREF's task is a difficult one because a great number of the remaining refugees are unproductive due to age, illness, or other disabilities. Institutional care is frequently the only solution. A further complicating factor is that most of the refugees are concentrated in the already overpopulated countries of Austria, Greece, Italy, and Germany. Several small countries, however, such as the Netherlands, Sweden, Denmark, Norway, Switzerland, and Ireland, have been taking these so-called difficult cases in increasing numbers for permanent institutional care.

When the UNREF authorization was considered last year the administration stated that it intended to limit the United States contribution to one-third of the total contributions to the central account. This was endorsed in the report of the Foreign Relations Committee, but no statutory limitation was set. It is now proposed to compute the one-third United States contribution on the basis of total contributions to the central account plus expenditures made by governments accepting refugees for institutionalization. This latter category would include only costs undertaken on behalf of the “difficult cases” and not

other local expenses of countries of first asylum. The administration expects that such computation might encourage further acceptance of difficult cases by the participating countries. It would also constitute recognition of their service to humanity. The new formula seems to the committee to be a reasonable one.

Through December 31, 1955, UNREF aided a total of 23,356 refugees. The target program for 1956 contemplates aid to 38,810. In both cases, permanent solutions are found for about two-thirds of those aided. The cost of the program through December 31, 1955, was \$3.1 million. The target for 1956 is \$6.6 million.

In view of the vigorous redefection campaign by the Soviet Union designed to lure refugees and escapees back to their countries of origin, it appears particularly important that the free world maintain a program designed to help them find a permanent place in society. The committee agrees with the statement issued by the White House on May 24, 1956, that—

the right of asylum is one of the treasured traditions of free peoples. The United States intends to continue firmly to adhere to and uphold this principle.

For the escapee program the Administration requested and the committee approved \$7 million for fiscal year 1957 operations. In fiscal year 1956 \$6 million was authorized and appropriated for this purpose.

The escapee program is an effort to aid those persons who have escaped from Communist countries since 1948. These people are living testimony of Communist oppression and ruthlessness. They deserve our assistance in finding a place in the free world. Among them, as among other refugees, the Communists are working with enticements and false promises to persuade them to return to their countries of origin. These activities make it doubly important for the United States not to fail them now.

It is estimated that the caseload of 30,745 escapees as of December 31, 1955, will have been reduced to 18,105 by the end of this year and to 12,840 by December 31, 1957. This is made possible by the decline in additions to the caseload. It should be pointed out, however, that past estimates have been highly unreliable. During last year's congressional presentation, for example, the executive branch estimated the caseload as of the end of 1955 at 19,850, but it was in fact 30,745.

The Administration states that a reduction in appropriations is not feasible at this time. Resettlement is more difficult and therefore more costly. A larger percentage of the remaining escapees on the rolls are older persons requiring institutional care. There is also planned a small increase in the Far Eastern program.

The escapee program is largely carried on by United States voluntary foreign relief agencies under contract with the State Department, using their own resources as well as local government contributions.

#### 16. UNITED NATIONS CHILDREN'S FUND (SEC. 8 (e))

The committee recommends \$10 million, the full amount requested by the executive branch, for the calendar year 1957 contribution to the United Nations Children's Fund (UNICEF). Last year \$14,500,000 was appropriated for this purpose, of which \$4.8 million was



for the second half of calendar year 1955 and \$9.7 million was for all of calendar year 1956.

In terms of percentages of the total, the United States contributions have been progressively decreasing from 71 percent in 1952 to 57.5 percent in 1956 with 55 percent proposed in 1957. At the same time contributions from other governments have risen from \$2.7 million in 1952 to an estimated \$7.2 million in 1956 and \$8.2 million in 1957. If local contributions to UNICEF projects, which amounted to \$27 million last year, are added to these figures, the relative United States contribution is reduced to 21 percent.

During the past year, UNICEF continued its farflung humanitarian operations, reaching more than 31 million mothers and children, mainly in Asia, Africa, and Latin America. A summary table of its calendar year 1955 activities is reprinted below.

*United Nations Children's Fund summary of beneficiaries in 1955*

Number of programs aided by UNICEF in 1955-----	264
Number of countries and territories assisted-----	92
<hr/>	
Number of beneficiaries :	
BCG antituberculosis vaccination (children vaccinated)-----	16, 521, 000
Antimalaria campaigns (children and mothers protected)-----	6, 107, 000
Yaws control (children and mothers treated)-----	1, 660, 000
Trachoma control (children treated)-----	1, 131, 000
Feeding through school lunches and maternal and child welfare centers (peak number of children receiving daily ration)-----	3, 000, 000
Emergency feeding (peak number of children receiving daily ration)-----	2, 700, 000
Total-----	<sup>1</sup> 31, 129, 000

<sup>1</sup> Not included in the above are the many children and mothers who receive benefits (other than milk) from the over 10,000 maternal and child welfare centers, clinics, and children's and maternity hospitals aided by UNICEF. There are still more beneficiaries from UNICEF assistance to vaccine production plants, leprosy control, communicable disease control, and milk-drying and pasteurization plants.

The UNICEF programs are well worthwhile and deserve the continued support, not only of the United States but also of other members of the United Nations.

17. PALESTINE REFUGEES IN THE NEAR EAST (SEC. 8 (f))

Last year Congress authorized the appropriation of \$65 million for the fiscal year 1956 for contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. Of this amount, \$62 million was appropriated, but only \$16.7 million was expended due to lack of progress on the rehabilitation program. There remains an unobligated balance of \$45.3 million.

Section 8 (f) of the committee bill amends last year's authorization by striking out the words "for the fiscal year 1956" so as to remove all doubt that this unobligated balance will continue to be available.

In the past, the United States contribution for the relief of these refugees has amounted to \$16.7 million a year. During fiscal year 1957, this will be increased to \$17.5 million. The increase is accounted for by two factors: (1) the number of refugees is increasing, due to an excess of births over deaths and to the continued failure of resettlement plans; and (2) the United States contribution will be made partly in the form of commodities, largely flour, at prices higher than

the open market. The United States contribution amounts to approximately 70 percent of contributions from all sources. The committee felt last year that this was justified but at the same time it believed "that greater effort might be made to increase worldwide participation in the program." The committee still maintains this view.

Attempts to reach agreement on rehabilitation and resettlement programs have, since 1949, been marked by alternating periods of hope and of frustration. Last year, agreement on a number of projects, it was hoped, would be realized during fiscal year 1956. Once again, however, such agreements were not forthcoming. The committee cannot emphasize too strongly its belief that indefinite relief operations lead only to deterioration in the morale of the refugees and in the political situation in the Near East. It regards as of utmost importance the compelling necessity of reaching agreement between the nations of the area and beginning the implementation of resettlement projects.

After the United States contribution to relief in fiscal year 1957, there will remain a balance of \$27.8 million which will again be set aside for rehabilitation projects if they can be undertaken.

#### 18. OCEAN FREIGHT CHARGES (SEC. 8 (g))

Section 8 (g) of the bill authorizes \$3 million for the payment of ocean freight charges on relief goods shipped by the voluntary agencies.

The administration requested, and the House approved, \$1.4 million, which, it was estimated, would pay for shipment of about 57 million pounds of relief supplies, valued at an estimated \$20 million. The voluntary agencies bear the costs of soliciting, packaging, and transporting the goods to United States ports. The receiving country, for its part, normally provides duty-free entry of the relief shipments and pays for transportation from the foreign port to final destination. Thus, for a relatively small sum, a great deal of good is accomplished. Public 540, the Agricultural Act of 1956, makes other provisions for these payments in regard to surpluses made available by the Commodity Credit Corporation. These account for the bulk of the surpluses involved, and the committee, therefore, deleted the separate authorization of \$14 million from the mutual security bill. There remain, however, some surpluses which are acquired and shipped by the voluntary agencies independently of the CCC. In order to provide for ocean freight payments on this category of surpluses, the committee increased the other authorization from \$1.4 million to \$3 million.

#### 19. ADMINISTRATIVE EXPENSES (SEC. 8 (h) AND (i))

*Battle Act.*—The Mutual Defense Assistance Control Act is administered by the Director of International Cooperation, and appropriations for the expense of administering it are, therefore, authorized in the Mutual Security Act. The present bill contains \$1,175,000 for such expenses—the same amount that was appropriated last year.

This is used for ICA expenses and for partial reimbursement of State and Commerce Department outlays in connection with Battle Act activities. These agencies, as well as the Department of



the Treasury and intelligence units, finance other Battle Act operations out of their regular budgets.

*International Cooperation Administration.*—The committee recommends \$35,250,000, the full amount requested, for expenses of administering the nonmilitary programs. Expenses for the administration of the military programs are absorbed by the Department of Defense from military assistance funds. For fiscal 1956, the Congress appropriated \$33,500,000 for administration but actual expenses will be \$34,845,000 (the difference being met by transfers from other appropriations). The funds requested this year represent a small increase, therefore. This is needed for these reasons: (1) the Federal Government employee pay increase; (2) too rapid staff reductions in past years, some of which had to be refilled; and (3) inflationary trends overseas resulting in greater operating costs.

The committee, in approving this amount, desires the International Cooperation Administration to give the closest attention to the recommendations made by the Comptroller General of the United States, before this committee on May 21, 1956, particularly as they relate to planning programs beyond the agency's capacity for carrying them out, to overestimating obligations, and to a lack of advanced planning.

*Administrative expenses for Agricultural Trade Development and Assistance Act of 1954.*—A new item of \$1,500,000 is contained in the bill as approved by the committee this year for administrative expenses arising from ICA's administration of foreign currencies received for sales of surplus agricultural commodities under title I of Public Law 480 (the Agricultural Trade Development and Assistance Act). No provisions for such expenses are made at the present, and it is felt desirable to do so in view of the increasing scope of Public Law 480 activities. As of March 31, about \$472 million worth of Public Law 480 foreign currencies were under ICA administration, and it is estimated that this figure may reach \$800 million by the end of the fiscal year.

*Department of State expenses.*—A new provision has been added to authorize the appropriation of not more than \$7 million in each fiscal year for administrative expenses which are incurred for normal functions of the State Department relating to mutual security activities. In the past, these expenses have been in the neighborhood of \$6 million a year and have been met from ICA's fund for administrative expenses. The new subsection makes it possible for the Department of State, if it should so desire, to request these funds in its own annual appropriation bill. If this arrangement is followed in fiscal 1958, there should be a corresponding reduction in ICA administrative expenses.

## 20. TAX AND COMMERCIAL TREATIES (SEC. 8 (j))

Section 413 of the existing law deals with encouragement of free enterprise and private participation in achieving the objectives of the Mutual Security Act. In subsection (b) (2) of that section, the President is directed to

accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provi-

sions to encourage and facilitate the flow of private investment to nations participating in programs under this act.

The pending bill adds "the equitable treatment" of private investment in participating countries as one of the objectives to be encouraged and facilitated in these treaties.

#### 21. INVESTMENT GUARANTIES (SEC. 8 (k))

The bill, in section 8 (k) makes three changes in the investment guaranty program now provided for in section 413 (b) (4) of the Mutual Security Act. These changes are:

1. Authority to issue guaranties is extended from June 30, 1957, to June 30, 1967. This should facilitate the negotiation of guaranty agreements with foreign countries, some of which have contended that the prospective early expiration of the program renders their participation of little significance.

2. The limitation on the face value of outstanding guaranties is increased from \$200 million to \$500 million. This increase is even greater than it appears. The present \$200 million limit applies to investment guaranties plus informational media guaranties. The proposed \$500 million limit applies only to investment guaranties, informational media being dealt with separately. (See sec. 11 (a), new subsection 544 (g) of the bill, sec. 24 of this report.) Further, under existing legislation, issuing authority is diminished by the face amount of every guaranty written; only when a guaranty is canceled, reduced, or expires is issuing authority restored. Under the bill, issuing authority will also be increased when dollars are received by the Government after June 30, 1955, for foreign assets which it acquires when it makes a payment under a guaranty. The bill also makes these funds available for paying off other guaranties.

3. For guaranties issued after June 30, 1956, the bill establishes a fractional reserve instead of the full reserve now required. Guaranties are now backed by notes issued to the Treasury in an amount equal to the amount of the guaranties. By the end of the current fiscal year, it is estimated that \$138.5 million of the existing note issue authority will have been utilized, leaving \$61.5 million together with \$1.5 million in collected fees, or a total of \$63 million. The bill increases that sum to \$100.5 million by authorizing the Director of the International Cooperation Administration to issue additional notes in an amount not to exceed \$37.5 million. Thus, the bill provides a total reserve of \$100.5 million against the maximum face value of guaranties of \$500 million. This is in accord with insurance practice. The investments protected by the guaranties are widely dispersed geographically, and it is unlikely that all guaranties in all countries will be invoked. Further, it is not anticipated that payments made in discharging liability under the guaranty contracts will be a complete loss. When payments are made by the United States, it is subrogated to the investors' claims, and any proceeds obtained from disposing of them become available, under the bill, for payments on account of other guaranty contracts. Finally, inasmuch as many investors obtain convertibility and expropriation guaranties to safeguard the same investment, it is hardly likely that both guaranties in a given case



would be called on; yet they are now both charged in full to the guaranty authority.

The committee believes these considerations to be sound and considers that, in the light of prevailing circumstances, the reserve fixed by the bill should be more than adequate to meet foreseeable contingencies.

The investment guaranty program stems from the Economic Cooperation Act of 1948. Under it, the Government will guarantee investors in approved projects against losses arising from currency inconvertibility or from expropriation or confiscation. The program does not guarantee a profit nor does it underwrite the normal risks of doing business. Guaranties for approved projects are available in any country with which the United States has agreed to institute the guaranty program. The agreements express the foreign government's willingness to participate in the program and provide for diplomatic settlement or international arbitration of any claims against that government to which the United States may become subrogated by discharging its obligations under the guaranty.

There are now 30 participating countries: Austria, Belgium, Bolivia, China (Formosa), Colombia, Costa Rica, Denmark, Ecuador, France, Germany, Greece, Guatemala, Haiti, Honduras, Ireland, Israel, Italy, Japan, Netherlands, Norway, Pakistan, Paraguay, Peru, Philippines, Portugal, Spain, Thailand, Turkey, United Kingdom, and Yugoslavia. Guaranties may cover both convertibility and expropriation in all of these countries except Colombia, Peru, Turkey, and the United Kingdom, where they apply only to convertibility.

As of May 31, 1956, a total of 121 guaranties had been issued, representing a coverage of \$109,394,260 which includes \$82,403,862 convertibility guaranties and \$26,990,398 expropriation guaranties. There are, in addition, approximately 200 applications now in process, which would, if granted, add \$324,886,288 to the coverage. To the present time, no losses have occurred under either heading, and over \$1,522,687 in fees have been collected. The annual cost of operating the program is estimated at \$92,000.

The investment guaranty program is designed to encourage the investment of private United States capital in friendly foreign countries for the purpose of contributing to their agricultural, industrial, and general economic development. To the extent that private capital and enterprise can be encouraged to participate in productive ventures of this kind, the burden of foreign aid now carried by Government funds and financed by the American taxpayers will be correspondingly reduced. At the same time, the principle of respect for private enterprise and an understanding of what it can accomplish in improving living standards is encouraged. A major consequence of this activity is the strengthening of the economic power of the free world.

The committee believes that the moderate expansion of the program provided in this bill is sound and that it will contribute to achieving the objectives of the Mutual Security Act at little or no cost to the United States.

## 22. FOOD AND AGRICULTURE ORGANIZATION (SEC. 8 (1))

This section of the bill increases the ceiling on United States contributions to the Food and Agriculture Organization from \$2 million a year to \$3 million a year, with a proviso that in no case can our contributions exceed 31.5 percent of the total annual budgets of the organization.

This section of the bill is the same as section (a) of Senate Joint Resolution 97 which passed the Senate April 19, 1956. Senate Joint Resolution 97 also increased the ceiling on United States contributions to the International Labor Organization, but that matter is not dealt with in this bill.

The Food and Agriculture Organization provision was added to the mutual security bill by the House Foreign Affairs Committee. The proviso limiting United States contributions to 31.5 percent was added by the Senate Foreign Relations Committee in consonance with the earlier action of the Senate.

For reasons which are more fully explained in its report on Senate Joint Resolution 97 (S. Rept. 1172), the committee believes the increase here provided is needed and justified.

## 23. GENERAL ADMINISTRATIVE PROVISIONS (SECS. 9, 10, AND 11 (A), NEW SUBSECTIONS 544 (C), (D), (E), AND (F))

*Transferability (sec. 9 (a)).*—This section of the bill corrects a clerical error which was made in 1954 and repeated in 1955 in section 501 of the Mutual Security Act, relating to transferability of funds. The last two sentences of this section, which are deleted by section 9 (a) of the bill, deal with the requirement that given percentages of funds transferred to development assistance must be furnished on a loan basis. As the law now stands, these two sentences are contradictory. Through inadvertence the next to the last sentence of section 501 was left in the law last year although the reason for it ceased with the repeal of the loan requirement in section 201 of title II.

The last sentence was included through a clerical error in the final print of the act though it was not in the bill reported by the conference committee and passed by the Congress.

The bill also strikes out the third from last sentence in section 501 which becomes obsolete with the repeal of section 105 (c).

The basic transferability provisions of the act are unaffected by these changes.

*Use of foreign currency (sec. 9 (b)).*—This subsection adds the Senate Select Committee on Small Business to the congressional committees which are entitled to use counterpart funds to meet their local currency expenses in carrying out their duties. The Small Business Committee has hitherto had the use of these funds, but the General Accounting Office has raised a technical question about the matter and this amendment will make it perfectly clear. Section 502 (b) of the Mutual Security Act originally granted this authority to—

appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act.



Last year, to remove some doubt, the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report were added by name to the section. The General Accounting Office interpreted this to exclude other committees not mentioned by the Legislative Reorganization Act; hence the desirability of the Small Business Committee amendment.

*Availability of funds (sec. 9 (c)).*—Section 507 of the present law states the important principle that funds shall be available to carry out the act as they are authorized and appropriated to the President each fiscal year. This means that for these important programs a separate review is conducted in the Senate by the Committee on Foreign Relations and the Committee on Appropriations. Specific exceptions have heretofore been made to this principle and noted in section 507. These include the infrastructure program, contributions to the Intergovernmental Committee for European Migration, participation in NATO, and assistance to certain Chinese and Korean students. Other sections of the Mutual Security Act, however, also authorize appropriations to be available for longer than 1 year. These other sections include section 103 (no-year funds for military assistance), section 418 (the Asian development fund, available to June 30, 1958), and section 411 (d) (administrative expenses of the State Department). To remove any possibility of conflict between section 507 and these other sections, the committee has approved an amendment to section 507 making it clear that the rule of section 507 does not apply if other provisions of the act provide otherwise.

*Shipping on United States vessels (sec. 9 (d)).*—Section 509 of the act prescribes the operation of the 50-50 shipping principle for the mutual security program, i. e., that in most cases 50 percent of the goods financed under the program must be shipped on American vessels. In 1955, this section was amended to exempt from this requirement the transportation from one foreign country to another of commodities procured with foreign currencies derived from dollar funds made available under the Mutual Security Act. This means, for example, that when mutual security funds are used to purchase wheat in the United States which is sold in a foreign country, and when the foreign currency accruing from that sale is used to purchase commodities which are needed in the aid program, then these commodities may be shipped from one foreign country to another without regard to the 50-50 shipping requirement. Section 9 (d) of the bill would further amend section 509 by extending this exemption to commodities procured with foreign currencies received for surplus agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong.). This amendment should simplify the disposal overseas of United States surplus agricultural commodities. The committee emphasizes that the amendment relates only to shipments between two foreign countries and in no way affects shipments from the United States.

*Procurement services of the General Services Administration (sec. 10 (a) (1)).*—This paragraph of the bill confirms the authority for the procedure currently being followed in handling funds to cover administrative expenses of the General Services Administration (GSA) in performing procurement services under the foreign aid program. Under this procedure, payments made to GSA for administrative sur-

charges on foreign aid procurement are consolidated in a separate no-year account which may be drawn upon to cover administrative expenses of GSA in connection with such procurement. This eliminates serious bookkeeping difficulties which would arise if GSA administrative expenses, such as salaries of personnel, had to be distributed voucher by voucher among the numerous individual appropriation accounts maintained in the foreign-aid program.

*Allocation and reimbursement among agencies (sec. 10 (a) (2)).*—This provision would add a new subsection (f) to section 522 of the act, which relates to allocation and reimbursement among agencies and deals with other fiscal procedures. The new subsection provides that any appropriation under the act may be initially charged (within the limits of available funds) with an expense for which funds are available in another appropriation under the act, so long as the expense is ultimately charged to the correct appropriation with a proper credit to the appropriation initially charged, and provided that this adjustment is made before the end of same fiscal year. The purpose of this amendment is to simplify bookkeeping. For example, there are some centralized activities concerned with technical assistance which are financed from three separate appropriations: technical assistance (title III), defense support, Europe (ch. 3 of title I), and joint control areas (sec. 403). Under the proposed amendment, instead of dividing each item of expense for such central activities among these three appropriations at the time each individual voucher is presented, the entire cost may be initially charged against technical assistance funds. However, before the end of the same fiscal year a proportional share of such expense must be finally charged against each of the other two appropriations, with corresponding credit to the technical assistance account.

The committee agrees that it is desirable to authorize this simplified method of accounting but warns the agencies concerned against abuse of the authority. It is not to be used as an additional kind of transferability. Neither is the new authority to be used as an excuse for poor recordkeeping and cost accounting.

*Contracts with organizations of experts (sec. 10 (b)).*—This section of the bill authorizes annual renewal of contracts with organizations of experts and consultants. Under the existing general civil service laws, contracts for the employment of experts and consultants may not be renewed after 1 year. The philosophy of this general provision of the law is that if there is a need in a Government agency for the services of an expert over a period of longer than a year, a regular civil service job should be established to provide such services. There is a need, however, particularly in the programs carried out by the International Cooperation Administration, for such services as engineering and other technical surveys of proposed projects. The best way to conduct such surveys is to send out a team of engineers and other specialists of various kinds. There is not enough of this kind of work in any one country or even in the world as whole to warrant maintaining a full-time staff of engineers and other specialists in ICA, and it is difficult to assemble teams of individual engineers for short periods of work. The International Cooperation Administration finds it better and cheaper to contract with engineering firms to conduct whatever survey work is necessary from time to time. Such a contract



does not displace full-time engineering or technical employees and the philosophy of the civil service laws is therefore not applicable.

The committee expects that the use of the new authority will be confined to situations which do not conflict with the spirit of the civil service laws. It cautions the agencies concerned not to use such contracts as a device to avoid Government salary ceilings and other civil service regulations.

*Cooperation with nations and international organizations (sec. 10 (c)).*—This subsection amends section 535 (b) of the Mutual Security Act so as to clarify the authority to furnish nonmilitary supplies, materials, and services at the request of nations (as well as international organizations, as at present), on the basis either of an advance of funds or of reimbursement. Under the proposed amendment, such advances and reimbursements which are received within 180 days after the close of the fiscal year in which the supplies, materials, or services are delivered may be credited to the current appropriation or fund of the agency which financed the transaction.

Two different kinds of transactions are contemplated. Sometimes a nation will request the United States Government to act for it in buying supplies or in procuring services. It is possible under existing law to receive from such nation an advance of funds and to set up a special trust account out of which the supplies or services are procured. This method of operations complicates bookkeeping. It is easier if the advance of funds can be credited to a regular appropriation account of the agency, and the amendment would allow this to be done.

In other instances, nations or international organizations prefer to pay for supplies or services in dollars when the supplies are delivered or the services have been rendered, with the United States Government financing the arrangement prior to reimbursement. Under the proposed amendment, if payment is made within the period of 180 days after the close of the fiscal year in which the supplies are delivered, such reimbursement may be credited to current appropriations rather than deposited to miscellaneous receipts of the Treasury. This second kind of transaction has been little used in nonmilitary assistance programs.

The committee believes that sales of supplies for cash or short-term credit should be encouraged by the International Cooperation Administration as a substitute for grants or even for long-term loans. As the proposed new authority is used, it will be necessary for the executive branch, in preparing future programs for nonmilitary assistance, to present to the Congress estimates of amounts receivable on account of such transactions. This authority is available only "whenever the President determines it to be in furtherance of the purposes and within the limitations of this act."

*Authority for certain expenditures (sec. 10 (d)).*—This section of the bill provides a statutory basis for certain types of necessary expenditures, most of which have been authorized in the past on a year-to-year basis in appropriation bills. This change will remove a possible basis for a point of order against mutual security appropriation bills, and it will eliminate the need to reenact these provisions each year in appropriations acts.

The expenditures authorized are: the payment of rents in the District of Columbia; expenses of attendance at meetings, including inci-

dental expenses related to arrangements for meetings of groups of consultants; the employment of aliens by contract for services abroad; the use of aircraft and passenger motor vehicles; entertainment in the United States; payment of losses which may result from fluctuations in foreign currency exchange rates; not to exceed \$50,000 a year for confidential expenses; insurance of official vehicles abroad; rental, repair, and alteration of housing quarters abroad; funeral and related expenses of persons who die away from their homes while engaged in mutual security programs; the purchase of uniforms; employment of chauffeurs abroad; medical examinations of dependents of personnel going overseas; payment of per diem for foreign trainees in third countries in accordance with the Standardized Government Travel Regulations; provision of ice and drinking water abroad; travel expenses of employees and their dependents assigned overseas as well as the costs of transporting or storing household goods and personal effects; and payments of extra and unusual expenses incurred in operating and maintaining a suitable official residence for the chief of a special mission administering the mutual security program abroad.

The bill also makes it clear that funds may be used for certain expenses authorized by the Foreign Service Act, such as commissary and mess service. In addition, the bill continues the authority of the Public Health Service and the Coast and Geodetic Survey each to have not more than 20 additional officers for work in the mutual security program.

This section further authorizes Government agencies to pay costs of health and accident insurance for foreign participants while they are away from their homes engaging in any exchange-of-persons program or furnishing technical information and assistance. Many plants and other institutions cooperating in furnishing training in the United States insist upon such insurance protection, and ICA now requires it. Without insurance, the foreign participants would rely upon the United States Government to help them in event of illness or accident. Before fiscal year 1954, health and accident insurance was provided for participants under a provision in the appropriation legislation similar to the one now proposed. The methods of handling this problem which have been attempted since then have proven ineffective or administratively burdensome, and the earlier authority is, therefore, being reenacted.

Finally, this section authorizes the use of up to \$12 million of Korean aid funds to provide living quarters, office space, and supporting facilities for personnel carrying out mutual security activities in Korea. It is contemplated that \$9 million of these funds would be used for military facilities and \$3 million for civilians. In this connection, it should be noted that the executive branch already has authority (under sec. 411 (c) of the Mutual Security Act) to waive certain general provisions of laws relating to the kind of construction. The lack of housing, office space, and other facilities is hampering efficient administration of the aid program in Korea. This is the largest such program in the world, accounting for approximately 15 percent of all funds carried in this bill. The facilities to be provided under this section will contribute to the achievement of the purposes of this large program. The committee does not intend for these facilities to be elaborate, but it agrees that something should be done



to alleviate the excessive hardships now imposed on mutual security personnel in Korea.

*Redelegation of authority by subordinate officials in the Department of State (sec. 11 (a), new subsec. 544 (c)).*—This would amend section 4 of the act of May 26, 1949 (5 U. S. C. sec. 151c), which is the general authority of the Secretary of State to promulgate rules and regulations and delegate functions. The purpose of this amendment is to clarify the basis upon which officials in the Department of State, such as the Director of the International Cooperation Administration, may, when so authorized by the Secretary of State, redelegate to other officials in the Department functions (including the promulgation of rules and regulations) which have been delegated to them by the Secretary. The need for a clarifying amendment has arisen particularly in connection with various administrative functions involved in operations of the mutual security program since the International Cooperation Administration became part of the Department of State.

*Purchase of additional categories of foreign currency for the Fulbright program (sec. 11 (a) new subsec. 544 (d)).*—This amends section 32 (b) (2) of the Surplus Property Act of 1944 so that foreign currencies received in repayment of loans made under section 505 (b) of the Mutual Security Act may be used for the Fulbright educational exchange program. Section 505 (b) now provides that repayments "shall be held by the Treasury to be used for such purposes, including further loans, as may be authorized from time to time by Congress."

The use of these funds for the Fulbright program would be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, and other similar provisions of succeeding appropriation acts, which require that the foreign currencies must, in effect, be purchased from the Treasury with dollars from the appropriations of the agencies using such funds. The Fulbright program is unique in that its appropriations for program expenses abroad may be used only for the purchase of foreign currencies from the Treasury, and may therefore not be used at all for activities in any country unless the Treasury has on hand currencies or credits of that country. The proposed amendment would permit the program to go forward in countries which have made repayments on section 505 loans whether or not the Treasury holds currencies of that country derived from other sources.

*Payment of home leave travel for employees from United States Territories (sec. 11 (a), new subsec. 544 (e)).*—This would amend section 933 of the Foreign Service Act of 1946, as amended, so as to authorize payment of home leave travel for overseas employees whose homes are in United States Territories and possessions such as Hawaii, Alaska, and Puerto Rico on the same basis as is now applicable to employees whose homes are in the continental United States. In the case of a Government employee whose residence is in a United States Territory or possession, the Foreign Service Act now permits payment for travel on home leave only between the employee's overseas post and the point in the continental United States nearest to his residence. Thus, for example, a Government employee whose residence is in Hawaii and whose post is in the Near East or Europe must pay for his own travel between California and Hawaii in order to take his home leave at

home. The amendment will, in such a case, permit payment of home leave travel to the employee's home in Hawaii.

*Withholding for income-tax purposes on per diem advances (sec. 11 (a)).*—This would amend section 1441 (c) of the Internal Revenue Code of 1954 (26 U. S. C. 1441c) so as to eliminate any necessity for making deductions or withholdings for United States income tax purposes from amounts of per diem in lieu of subsistence paid by the United States Government (directly or through contract financed by the U. S. Government) to foreign participants engaged in training in the United States under the mutual security program. The amendment has the express approval of the Treasury Department. This provision does not change the ultimate tax liability in regard to such payments, but it does remove any requirement of making advance withholdings from these per diem payments to cover such possible liability.

The amendment is desirable because per diem paid to foreign participants in lieu of subsistence may in some cases technically be considered "income" subject to United States tax and, consequently, also subject to an advance withholding requirement. In such cases, participants could almost invariably show, at the time of their departure from the United States upon completion of training, deductible expenses such that they would at that time receive a full refund of the amounts previously withheld from their per diem payments. The net result of requiring withholding in this type of situation is to deprive the participants of a portion of their per diem (which may not exceed \$12) during the period when they need it while they are undergoing training in the United States, without any taxes being ultimately received by the United States Government. The amendment will eliminate this problem.

24. INFORMATIONAL MEDIA GUARANTIES (SEC. 11 (a), NEW SUBSEC. 544 (g))

Section 11 (a), new subsection 544 (g) of the bill amends the Smith-Mundt Act so as to make a number of changes in the informational media guaranty program. This is the program under which the Government agrees to convert into dollars foreign currency acquired by American book publishers, film producers, and other exporters of informational material, from sales of their products abroad. The Government receives in return a dollar fee from the participating firm plus the foreign currencies involved. The program is essentially a means to remove the obstacle which currency inconvertibility presents to dissemination abroad of American informational materials. It is a highly useful part of our total overseas information program. This category of guaranties, therefore, has a substantially different purpose from that of the investment guaranty program.

Both the informational media and the investment guaranties were instituted as a single program under authority provided in the Economic Cooperation Act of 1948. Although the two programs have been administered separately since 1952, they have continued to be financed and accounted for in common. Obligations of both programs have been chargeable to the same \$200 million limitation on issuing and borrowing authority. Inasmuch as fees received in payment for



guaranties must be used before any money is borrowed from the Treasury, payments made under informational media guaranty contracts have come from a commingling of industrial and informational guaranty fees.

The bill recognizes the distinct characteristics and purposes of the two programs by providing for separate accounting and financing arrangements for informational media guaranties. The bill also provides a new and simpler financing arrangement. These and certain other technical changes are accomplished through an amendment to the United States Information and Educational Exchange Act (Smith-Mundt Act).

This amendment authorizes the Director of the United States Information Agency to assume not more than \$28 million of the notes originally executed under the Economic Cooperation Act of 1948. Of this amount, however, only about \$17 million will be available after the end of this fiscal year, because the remaining \$11 million must be charged to previous operations. This \$11 million is accounted for by \$9 million which has already been advanced for informational media guaranties and by the requirement that USIA pay back to ICA \$2 million as the equivalent of fees received for investment guaranties.

In addition to the \$17 million which remains at the Director's disposal for future operations, foreign currencies on hand which have been obtained from prior transactions will increase that amount whenever they can be sold for dollars. It is anticipated by the executive branch that this working fund will be sufficient to sustain the program for another 2 or 3 years unless there is a sharp increase in applications for guaranties. At the present time there are over \$12 million in applications in process. In lieu of the ceiling of \$10 million on the amount of these guaranties in existing law, the bill fixes a ceiling equal to:

- (1) the amount of the notes assumed by the Director of USIA (\$28 million)
- (2) minus the amounts previously advanced on such notes by the Secretary of the Treasury (\$9 million)
- (3) plus the amount of the funds in a special informational media guaranties account which is to be established in the Treasury. This special account in the Treasury will consist of advances borrowed from the Treasury against the notes, together with dollars which may be obtained from the sale of foreign currencies accruing under the program. To the extent, therefore, that these currencies may be converted into dollars by the Government, the account will be a revolving fund, payments under guaranties being replaced by the dollar equivalent of local currencies acquired by the United States. Any fees which may be earned from the issuance of guaranties will likewise be deposited in the special account which is to be used solely for payments under guaranty contracts. Should there be a net loss from informational media guaranty operations in future years the deficiency will have to be made up from appropriations provided by Congress.

The bill also authorizes the use of local currencies accruing under the informational media guaranty program for—

educational, scientific, and cultural purposes which are in the national interest of the United States, and for such other

purposes of mutual interest as may be agreed to by the Governments of the United States and the country from which the currencies derive.

This additional authority is necessary for the following reasons: The informational media guaranties program operates only in those countries which have given their consent to it. A number of these countries have placed restrictions on the use of local currencies purchased by the United States under the program, sometimes limiting them to "educational, scientific, and cultural purposes" or some special purpose which might be agreed to between the governments concerned.

At the present time, however, there is only limited legislative authority to spend funds in this manner. As a consequence, the United States has been accumulating foreign currencies which it cannot adequately utilize. While in some countries the problem is not yet acute (as in Indonesia and Burma), in Israel the United States now holds about \$4 million worth of Israel pounds which are restricted to "educational, scientific, and cultural" uses. In a letter dated May 18, 1956, from Assistant Secretary of State Hill to Senator George, it was pointed out that:

these blocked accounts offer opportunities to cement friendly relations with the countries concerned through the use of the funds for cultural activities of mutual interest to those countries and the United States. On the negative side the continued existence of these blocked accounts not only diminishes the funds available for the informational media guaranties program but creates risks of loss through devaluation, whether by official act or through gradual diminution of market value.

In Israel some loss of value has already occurred through inflation. The authority contemplated under the amendment will permit use of these funds for worthwhile purposes of mutual interest to the United States and other countries such as, for example, the addition of a United States law wing to the Israel Bar Association, and comparable projects in other countries.

The bill also makes these other changes in the program:

1. Authority to issue informational guaranties is extended from June 30, 1957, to June 30, 1967, in keeping with the extension of the investment guaranty authority.

2. Collection of a minimum charge of up to \$50 is permitted for issuance of guaranty contracts or amendments thereto, so as to cover administrative expenses in connection with guaranties whose face value is so small that the fees collected do not meet processing costs.

3. Authority is granted to make advance payments under informational media guaranty contracts. This will permit a kind of short-term credit to exporters of informational materials similar to that furnished under many Government contracts for procurement and construction. It is particularly desirable in areas where the book trade is so undeveloped that American exporters find it difficult or impossible to obtain short-term financing through normal commercial channels, yet where the dissemination of informational materials is particularly desirable.



It is the opinion of the committee that the informational media guaranty program is one of the most important aspects of the overseas information program and that its effectiveness in stimulating the distribution of books and other informational materials has become increasing evident. At the same time, this distribution is accomplished at less cost than if it were handled through the ordinary functions of the information program and with maximum reliance on private trade channels. The committee strongly approves of the proposed amendments to the informational media guaranty program.

25. USE OF PUBLIC LAW 480 FOREIGN CURRENCY (SEC. 11 (a), NEW SUBSEC. 544 (i))

The bill makes two amendments to section 104 of the Agricultural Trade Development and Assistance Act (Public Law 480). Section 104 specifies eight purposes for which the President may use foreign currencies accruing from sales of surplus agricultural commodities under title I of that act. One of these purposes is the financing of Fulbright educational exchange activities. This purpose has been virtually ignored, receiving only 0.8 percent of all foreign currencies available under title I. The committee therefore approved an amendment specifying that not less than 5 percent of the aggregate of these currencies shall be used for exchange programs.

It should be made clear that the amendment does not require such use of 5 percent of these currencies in each country where they are available. In some countries—such as the United Kingdom, for example—ample funds for the Fulbright program are available from other sources and Public Law 480 currencies are not needed. In other countries, however—such as, for example, Pakistan—Public Law 480 is virtually the only source of Fulbright funds. Under this amendment, none of the Public Law 480 funds would have to be used for the exchange program in such countries as the United Kingdom, but if that were the case, then the difference would have to be made up by using more than 5 percent in such countries as Pakistan so as to reach the figure of 5 percent of the aggregate.

The amendment also directs that, in the allocation of foreign currencies among the purposes of Public Law 480, a special effort shall be made to provide for the exchange program in countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years. The exchange program is a long-range effort and measures to provide long-range financing should be encouraged.

The second amendment made to section 104 of Public Law 480 adds a ninth purpose for which foreign currencies may be used—namely, financing the translation, publication, and dissemination of books and periodicals abroad. A limitation of \$5 million a year would be placed on the use of funds for this purpose.

This amendment is motivated by the committee's concern over the abundance of cheap Communist books available in many foreign countries and the relative scarcity of American works. The committee believes that \$5 million of foreign currencies expended for this purpose would be well worthwhile. ✓

## 26. PRICING OF MILITARY EQUIPMENT (SEC. 11 (b) (1))

This section of the bill would amend section 545 (h) of the act which defines "value" in connection with transactions between the Army, Navy, or Air Force, on the one hand, and the military assistance program on the other. When Army, Navy, or Air Force equipment is used by the military assistance program the service furnishing the equipment is reimbursed upon delivery from military assistance appropriations. The method of computing the value of such equipment varies depending on whether the item involved: (1) is excess to the mobilization reserve; (2) is not excess to the mobilization reserve and needs to be replaced; (3) is not excess to the mobilization reserve but does not need full replacement; or (4) is to be newly procured.

If the item is excess, "value" is defined as the total cost of repairing, rehabilitating, or modifying the item prior to being furnished. If the item is newly procured for the purpose of being furnished, the "value" is the total cost of procurement. If the item is not excess to the mobilization reserve but does not need to be fully replaced, the "value" may be either the total cost of the equipment or its replacement cost. If the item is not excess to the mobilization reserve and does need to be replaced, the "value" is defined as the cost of procuring an equal quantity of such equipment or an equivalent quantity of equipment of the same general type but deemed to be more desirable for inclusion in the mobilization reserve than the equipment delivered.

The foregoing "values" for excess items and items newly procured cause no difficulty. Moreover, experience shows that very little equipment falls into the category of equipment which is not excess but which does not need to be fully replaced.

The pricing problem thus is centered in the definition of "value" for equipment which is not excess and which needs to be replaced. The problem arises because of the fact that for the past several years the cost of military equipment has been steadily increasing due to the increasing complexity of weapons and due to gradual inflation in the economy. If an item which cost \$2 has been in stock for 2 years but is not excess to the mobilization reserve, the cost of replacing the item may be \$3 and the market value, due to its age and condition, may be \$1. Under the existing law, the military service furnishing the item has been paid \$3 from military assistance appropriations. This pricing formula has enabled the Army, Navy, and Air Force, to some extent, to modernize their own equipment with military assistance funds. An incidental result has been that the published figures on the value of deliveries to foreign countries are somewhat inflated. The Comptroller General stated to the committee that a substantial portion of the material programed through 1955 was billed at 170 percent of the acquisition cost.

It should also be pointed out that the situation has changed in other respects since the existing pricing formula was enacted as a part of the Mutual Defense Assistance Act of 1949. At that time, United States military equipment stocks were relatively low and the Department of State was responsible for reimbursing the military departments for deliveries. There was concern on the part of the Congress that the discretion to value such deliveries might be abused and that United States military stocks might be unduly reduced. Since then,



however, the Military Establishment has greatly expanded in size and the appropriations for military assistance are less than 10 percent of those for the regular United States Military Establishment. Moreover, the Secretary of Defense himself now receives the allocations of military assistance appropriations and reimburses the military departments for deliveries to the military assistance program.

For all these reasons, the committee believes that a change in the existing pricing rules is overdue.

The new pricing system contemplates that the price obtaining for similar transactions between the services would be used, if such a price exists. In other cases, the basic difference would be that under the present system when a delivery to military assistance involves a non-excess item from stock, military assistance appropriations are charged with the cost of buying a new and better item for the military department concerned; whereas under the new system military assistance appropriations will be charged "the gross cost to the United States adjusted as appropriate for condition and market value." The word "condition" will permit taking into account the age as well as the physical condition of the item. The term "market value" is one which must be applied carefully. It is intended to refer to the fair value of the item at the time of delivery—not at the time of programing. There may not be an actual "market value" in the literal sense of the term, but an attempt will be made to arrive at the fair value of the item by considering, among other things, what it would cost to buy that same item—not a new or better one—at the time of delivery.

The new pricing formula will not immediately replace the old formula. The amendment deliberately leaves the old definition of value in the act because there are thousands of military items involved in the military assistance program and the new pricing regulations within the Department of Defense, which will incorporate the new definition of value, cannot be worked out for several months. During the transition period it will be necessary to use the original definition, at least for some transactions.

The purpose of the new pricing formula is stated in the bill—namely, to establish "a more equitable pricing system for transactions between the military departments and the mutual defense assistance program." The committee expects this purpose to be carried out conscientiously. It likewise expects to receive reports from time to time on the progress being made to this end and to be furnished copies of the new pricing regulations before they go into effect. Next year's military assistance presentation to the Congress should include detailed figures comparing prices under the old and new pricing systems, together with an estimate of the total sum saved in military assistance appropriations after the new formula went into effect.

#### 27. OBLIGATIONS AND EXPENDITURES (SEC. 11 (C))

The committee gave considerable attention to the problem of unobligated and unexpended funds available to the mutual security program from prior appropriations and to the relationship of these balances to the amounts needed for fiscal 1957.

The mutual security program, particularly its military component, has been beset by extremely complex accounting problems for several

years. In part, these problems arise from the unique operating difficulties of the program. Of all the major activities of the United States Government, the mutual security program is the only one in which fiscal obligations depend so largely on agreements with foreign governments. Other Government agencies, such as the Department of State, operate abroad; but their financial problems are their own, and they, consequently, have a much greater degree of control over rates and timing of their spending than do agencies administering mutual security. This is not to say that the Government has significantly less control over spending mutual security funds; it does have control in the sense that it can spend the funds or not. The difference lies in the rate of spending.

A purely domestic agency can plan its activities over the course of a year unilaterally. Mutual security activities depend on agreements with foreign governments. As a general rule negotiation of those agreements cannot be undertaken until after the money is appropriated. Although, in the case of nonmilitary assistance, the International Cooperation Administration plans projects in advance of appropriations (indeed, it is partly on the basis of this planning that Congress makes the appropriations), the plans can be no more than tentative until after the appropriations are actually made and the necessary agreements entered into with foreign governments. Even after these agreements are made, the obligation and expenditure of United States funds await certain action on the part of the foreign government, and this action is sometimes delayed for reasons over which the United States has no control.

The Karachi fish harbor project in Pakistan provides an example. This project involves improving facilities for the fishing fleet and for marketing fish. It is expected to double or triple the amount of fish available in Karachi with great benefit to the local diet. By making new and better facilities available to the fishing fleet, the project will also free other space which is needed for the general development of the port of Karachi. The project was first surveyed by the Food and Agriculture Organization in 1950-51. In April 1953, a project agreement was signed between the United States and Pakistan calling for a total investment of approximately \$2 million, of which the United States would contribute \$750,000.

There were delays within the Pakistan Government caused by differences over site selection and acquisition and other matters. In April 1954—a year after the project agreement had been signed—the United States deobligated the funds committed to it. After the lapse of an additional year, the Pakistan Government resolved its difficulties and United States funds were reobligated. Construction began in July 1955, and is expected to be completed in December 1957.



**MUTUAL SECURITY PROGRAM**  
*Status of obligations, summary of fiscal year 1956 appropriations*

[In thousands of dollars]

Appropriation	New appropriation, fiscal year 1956	Adjustments		Available for obligation, fiscal year 1956	Actual and estimated obligations and reservations				Estimated unobligated and unreserved balances		
		Reappropriated	Actual and anticipated transfers		Actual July 1, 1955-Mar. 31, 1956	Unobligated and unreserved balance Mar. 31, 1956	Estimated, Apr. 1, 1956-June 30, 1956	Total estimate	Unobligated and unreserved balance June 30, 1956	Reserve for return to Treasury June 30, 1956	Unobligated balance, June 30, 1956, to be reappropriated
Military assistance, general.....	705,000	33,900	-----	1,738,900	189,034	549,866	404,366	593,400	145,500	-18,900	126,600
Department of Defense.....	705,000	33,900	-----	1,738,900	189,034	549,866	404,366	593,400	145,500	-18,900	126,600
Direct forces support.....	317,200	-----	-----	317,200	50,904	266,296	216,296	267,200	50,000	-10,000	40,000
Department of Defense.....	-----	-----	-----	304,305	39,009	265,296	215,296	254,305	50,000	-10,000	40,000
International Cooperation Administration.....	-----	-----	-----	12,895	11,895	1,000	1,000	12,895	-----	-----	-----
Defense support, Europe.....	85,500	-----	-1,400	84,100	56,080	28,020	28,020	84,100	-----	-----	-----
Special assistance in joint control areas in Europe.....	21,000	-----	-300	20,700	11,434	9,266	8,866	20,300	400	-400	-----
Defense support, Near East and Africa.....	113,700	-----	38,000	151,700	79,328	72,372	72,372	151,700	-----	-----	-----
Defense support, Asia.....	800,000	9,984	-19,750	790,234	527,159	263,075	263,075	790,234	-----	-----	-----
Development assistance, Near East and Africa.....	75,000	-----	-18,000	55,000	19,022	35,978	26,778	45,800	9,200	-9,200	-----
Development assistance, Asia.....	51,000	-----	-----	51,000	29,681	21,319	21,319	51,000	-----	-----	-----
Development assistance, American Republics and non-self-governing territories of the Western Hemisphere.....	38,000	-----	500	38,500	32,862	5,638	5,638	38,500	-----	-----	-----
Technical cooperation, general.....	127,500	2,906	-500	127,906	69,026	58,880	58,880	127,906	-----	-----	-----
U. N. expanded programs of technical assistance.....	24,000	-----	-----	24,000	21,850	2,150	1,150	23,000	1,000	-1,000	-----
Technical cooperation programs of the organization of American States.....	1,500	-----	-----	1,500	1,500	-----	-300	1,200	300	-300	-----
Special Presidential fund.....	100,000	-----	-----	100,000	-----	100,000	100,000	100,000	-----	-----	-----
Intergovernmental Committee for European Migration.....	12,500	-----	-----	12,500	10,202	2,298	2,298	12,500	-----	-----	-----
United Nations refugee fund.....	1,200	-----	-----	1,200	1,200	-----	-----	1,200	-----	-----	-----
United Nations refugee fund.....	6,000	-----	-----	6,000	3,591	2,409	2,409	6,000	-----	-----	-----
Escapee program.....	14,500	-----	-----	14,500	14,500	-----	-----	14,500	-----	-----	-----
United Nations children's fund.....	58,367	3,633	-----	62,000	12,000	50,000	4,700	16,700	45,300	-----	45,300
United Nations relief and works agency.....	3,700	-----	-----	3,700	2,563	1,137	1,137	3,700	-----	-----	-----
North Atlantic Treaty Organization.....	2,000	-----	-----	2,000	1,801	199	199	2,000	-----	-----	-----
Ocean freight charges, United States voluntary relief agencies.....	2,000	-----	-----	2,000	1,801	199	199	2,000	-----	-----	-----
Ocean freight charges, surplus agricultural commodities.....	13,000	-----	-----	13,000	12,771	229	229	13,000	-----	-----	-----

See footnotes at end of table.

MUTUAL SECURITY PROGRAM—Continued  
*Status of obligations, summary of fiscal year 1956 appropriations—Continued*  
 [In thousands of dollars]

Appropriation	New appropriation, fiscal year 1956	Adjustments		Available for obligation, fiscal year 1956	Actual and estimated obligations and reservations				Estimated unobligated and unreserved balances		
		Reappropriated	Actual anti-cipated transfers		Actual July 1, 1955–Mar. 31, 1956	Unobligated and unreserved balance Mar. 31, 1956	Estimated, Apr. 1, 1956–June 30, 1956	Total estimate	Unobligated and unreserved balance June 30, 1956	Reserve for return to Treasury June 30, 1956	Unobligated balance June 30, 1956, to be re-appropriated
Control Act expenses	1,175			1,175	833	342	342	1,175			
President's fund for Asian economic development	100,000			100,000	4,366	95,634	5,634	10,000			
Administrative expenses, sec. 411, Mutual Security Act	33,500			34,950	24,408	10,542	9,842	34,250	390,000	700	
Grand total	2,703,342	48,423		2,751,765	1,176,115	1,575,650	1,233,250	2,409,365	434,200	40,500	211,900
Recapitulation by primary agencies:	1,022,200	33,900		1,043,205	228,043	815,162	619,662	847,705	195,500	28,900	166,600
Department of Defense:											
Military assistance, general				738,900	189,034	549,866	404,366	593,400	145,500	18,900	126,600
Direct forces support				304,305	39,009	265,296	215,296	254,305	50,000	10,000	40,000
International Cooperation Administration:	1,681,142	14,523		1,708,560	948,072	760,488	613,588	1,561,660	414,600	11,600	45,300
Direct forces support				12,895	11,895	1,000	1,000	12,895			
Other Mutual Security programs				1,695,665	936,177	759,488	612,588	1,548,765	146,900	11,600	45,300
Total recapitulation by primary agencies	2,703,342	48,423		2,751,765	1,176,115	1,575,650	1,233,250	2,409,365	342,400	40,500	211,900

<sup>1</sup> Excludes adjustment pursuant to sec. 108, Public Law 203, 84th Cong.

<sup>2</sup> Unobligated balance (after sec. 1311 certification) of no-year funds, Institute of Inter-American Affairs.

<sup>3</sup> Available through June 30, 1958.

<sup>4</sup> Excludes an estimated additional \$15 million unobligated on June 30, 1956 from prior year funds.



*Analysis of expenditures, as of Mar. 31, 1955, with forecasts through June 30, 1956, and June 30, 1957*

[In millions of dollars]

	Actual expenditures, fiscal year 1955	Certified unliquidated obligations, June 30, 1955	New appropriations, fiscal year 1956	Unobligated balances continued available in fiscal year 1956	Actual and anticipated transfers, fiscal year 1956	Available for expenditure, fiscal year 1956	Actual expenditures, July 1, 1955, to Mar. 31, 1956	Unexpended balance, Mar. 31, 1956	Estimated expenditures		Estimated unexpended balances, June 30, 1956	Estimated reserve for return to Treasury, June 30, 1956	Proposed new obligations, fiscal year 1957	Available for expenditure, fiscal year 1957	Estimated expenditures, fiscal year 1957	Estimated unexpended balances, June 30, 1957
									Apr. 1, 1956, to June 30, 1956	Total, fiscal year 1956						
Military and direct forces support, total	2,311.2	6,203.0	1,022.2	33.9		7,259.1	1,353.3	5,905.8	\$46.7	2,200.0	5,059.1	-28.9	3,000.0	8,030.2	2,500.0	5,530.
APPROPRIATIONS AVAILABLE IN FISCAL YEAR 1956 AND PRIOR YEARS																
Military assistance	2,291.8	6,152.4	705.0	33.9		6,891.3	1,289.6	5,601.7	766.8	2,056.4	4,834.9	-18.9	3,000.0	7,816.0	2,343.8	5,472.2
Department of Defense	2,089.1	5,996.2	705.0	33.9		6,735.1	1,205.9	5,529.2	725.5	1,931.4	4,803.7	-18.9	3,000.0	7,734.8	2,315.1	5,469.7
International Cooperation Administration	202.7	156.2				156.2	83.7	72.5	41.3	125.0	31.2			31.2	28.7	2.5
Direct forces support and common-use items:																
Direct forces support			317.2			317.2	29.9	287.3	69.2	99.1	218.1	-10.0		208.1	152.1	56.0
Department of Defense			317.2			304.3	23.4	280.9	65.2	88.6	215.7	-10.0		205.7	149.7	56.0
International Cooperation Administration						12.9	6.5	6.4	4.0	10.5	2.4			2.4	2.4	
Common-use items	19.4	50.6				50.6	33.8	16.8	10.7	44.5	6.1			6.1	4.1	2.0
International Cooperation Administration	19.4	50.6				50.6	33.8	16.8	10.7	44.5	6.1			6.1	4.1	2.0
PROPOSED NEW OBLIGATIONAL AUTHORITY FOR FISCAL YEAR 1957 (DEFENSE)																
Other mutual security programs, total	1,953.1	1,692.9	1,681.2	14.5		3,388.6	1,082.1	2,306.5	487.9	1,570.0	1,818.6	-26.6	1,860.0	3,652.0	1,765.0	1,887.0
Appropriations available in fiscal year 1956 and prior years	1,953.1	1,692.9	1,681.2	14.5		3,388.6	1,082.1	2,306.5	487.9	1,570.0	1,818.6	-26.6		1,792.0	1,215.0	587.2
Appropriations available prior to fiscal year 1956	1,953.1	1,692.9				1,692.9	862.2	830.7	207.8	1,070.0	622.9	-15.0		607.9	465.0	142.9

## Analysis of expenditures, as of Mar. 31, 1955, with forecasts through June 30, 1956, and June 30, 1957—Continued

[In millions of dollars]

	Actual expenditures fiscal year 1955	Certified unliquidated obligations June 30, 1955	New appropriations fiscal year 1956	Unobligated balances continued available in fiscal year 1956	Actual and anticipated transfers fiscal year 1956	Available for expenditure year 1956	Actual expenditures July 1, 1955–Mar. 31, 1956	Unexpended balance Mar. 31, 1956	Estimated expenditures		Estimated unexpended balances June 30, 1956	Estimated reserve for return to Treasury	Proposed new obligations authority fiscal year 1957	Available for expenditure fiscal year 1957	Estimated expenditures for fiscal year 1957	Estimated unexpended balances June 30, 1957
									Apr. 1, 1956–June 30, 1956	Total, fiscal year 1956						
Appropriations made available in fiscal year 1956			1,681.2	14.5		1,695.7	219.9	1,475.8	280.1	500.0	1,195.7	-11.6		1,184.1	750.0	434.1
Defense support, Europe			85.5		-81.4	84.1	6.5	77.6	32.5	39.0	45.1			45.1	34.5	10.6
Special assistance in joint control areas			21.0		-3	20.7	4.4	16.3	7.6	12.0	8.7	-4		8.3	7.0	1.3
Defense support, Near East and Africa			113.7		38.0	151.7	30.7	121.0	18.3	49.0	102.7			102.7	74.0	28.7
Development assistance, Near East and Africa			73.0		-18.0	55.0		55.0	8.9	8.9	46.1	-9.2		36.9	21.0	15.9
United Nations relief and works agency			58.4	3.6		62.0	9.1	52.9	7.6	16.7	45.3			45.3	20.0	25.3
Defense support, Asia			800.0	10.0	-19.8	790.2	83.9	706.3	133.6	217.5	572.7			572.7	377.5	196.2
Development assistance, Asia			51.0			51.0	.8	50.2	3.2	4.0	47.0			47.0	35.5	11.5
Development assistance, American Republics and non-self-governing territories of the Western Hemisphere			38.0		.5	38.5	5.3	33.2	12.2	17.5	21.0			21.0	16.1	4.9
Technical cooperation, general			127.5	.9	-5	127.9	29.6	98.3	15.4	45.0	82.9			82.9	50.0	32.9
Organization of American States			1.5			1.5	.2	1.3	.4	.6	.9			.6	.6	
United Nations expanded program of technical assistance			24.0			24.0	12.6	11.4	1.9	14.5	9.5	-1.0		8.5	8.5	
Intergovernmental Committee for European Migration			12.5			12.5	2.7	9.8	3.3	6.0	6.5			6.5	6.5	
United Nations refugee fund			1.2			1.2	1.0	.2		1.0	.2				.2	
United Nations children's fund			14.5			14.5	4.5	10.0	3.5	8.0	6.5			6.5	6.5	
North Atlantic Treaty Organization			3.7			3.7	.4	3.3	1.1	1.5	2.2			2.2	2.2	
Ocean freight, United States voluntary relief agencies			2.0			2.0	1.1	.9	.7	1.8	.2			.2	.2	
Ocean freight charges, surplus agricultural commodities			13.0			13.0	6.8	6.2	6.2	13.0	4.5			4.5	3.5	1.0
Escapee program			6.0			6.0	.8	5.2	.7	1.5	.2			.2	.2	
Control act expenses			1.2			1.2	.7	.5	.3	1.0	.2			.2	.2	



Administrative expenses, sec. 411, Mutual Security Act-----	33.5	1.5	35.0	18.8	16.2	9.2	28.0	7.0	-7	6.3	6.0	.3
President's fund for Asian economic development-----	100.0		100.0		100.0	1.5	1.5	98.5		98.5	20.0	78.5
Special Presidential fund-----	100.0		100.0		100.0	12.0	12.0	88.0		88.0	60.0	28.0
Proposed new obligatory authority for fiscal year 1957-----												
Grand total-----	2,703.4	48.4	10,647.7	2,435.4	8,212.3	1,334.6	3,770.0	6,877.7	-55.5	11,082.2	4,265.0	7,417.2
RECAPITULATION BY PRIMARY AGENCY												
Department of Defense, total-----	2,089.1	5,996.2	1,022.2	33.9		790.7	2,020.0	5,019.4	-28.9	7,990.5	2,464.8	5,525.7
Military assistance-----	2,089.1	5,996.2	705.0	33.9		725.5	1,931.4	4,803.7	-18.9	7,784.8	2,315.1	5,469.7
Direct forces support-----			317.2		280.9	65.2	88.6	215.7	-10.0	205.7	149.7	56.0
International Cooperation Administra- tion, total-----	2,175.2	1,899.7	1,681.2	14.5		543.9	1,750.0	1,858.3	-26.6	3,691.7	1,800.2	1,891.5
Military assistance-----	202.7	156.2	156.2		72.5	41.3	125.0	31.2		31.2	28.7	2.5
Direct forces support-----			12.9	6.5	6.4	4.0	10.5	2.4		6.1	2.4	
Common-use items-----	19.4	50.6	50.6	33.8	16.8	10.7	44.5	6.1		2.4	4.1	2.0
Other mutual security programs-----	1,953.1	1,692.9	1,681.2	14.5	2,306.5	487.9	1,570.0	1,818.6	-26.6	3,652.0	1,765.0	1,887.0
Total of recapitulation by primary agency-----	4,264.3	7,895.9	2,703.4	48.4	8,212.3	1,334.6	3,770.0	6,877.7	-55.5	11,082.2	4,265.0	7,417.2

Thus in the case of this project, which was first planned in fiscal year 1951, funds were initially obligated in fiscal year 1953, and work actually began in fiscal year 1956 with a scheduled completion date in fiscal year 1958. None of the delays encountered detracts from the merits of the project, but they are illustrative of many of the time lags which ICA faces in carrying out its program.

On the military side, the problems are slightly different, but in some respects even more time-consuming. The production lead-time for the procurement of complicated weapons and military equipment runs as high as 3 years. This is a problem which the Department of Defense faces with respect to its own procurement, of course, but the problem is magnified with respect to procurement for the military assistance program.

One of the problems of operating a military establishment is fitting procurement and training schedules together so that equipment is available when troops are ready for it and troops are ready when equipment is available. This problem is enormously complicated when one is dealing, not with the forces of a single country, but with the forces of 36 countries.

Large unexpended balances are, therefore, inherent in a program of this character, as to both its economic and military components, but especially as to the latter. The difficulties inherent in the program, however, were unnecessarily complicated by the accounting procedures which were used in the Defense Department until 1954. It will be recalled that during congressional consideration of the mutual security program last year as the fiscal year drew to a close, Congress was confronted with wild fluctuations in executive branch estimates of obligations and unobligated funds. This was due, at least in part, to the fact that the accounting system was then in a process of transition. This process is now much further advanced, and the committee is less dissatisfied with the fiscal records and practices of this program.

The situation is explained in much greater detail in the testimony of Comptroller General Joseph Campbell and of W. J. McNeil, Assistant Secretary of Defense-Controller, on pages 764-803 and 870-890 of the hearings. The tables on pages 47-51 of this report show the most recent available figures on the status of obligations and expenditures.

In summary, these tables show that the total unexpended balances, for both the military and nonmilitary components of the program, amounted to \$8.2 billion on March 31. It is estimated that this figure will be reduced to \$6.9 billion by June 30. The committee does not consider these funds excessive, particularly when compared to the estimated unexpended balance of \$39.2 billion available to the Department of Defense for United States military forces by July 1.

Obligations are in some respects more significant than expenditures in a program of this kind. On March 31, the unobligated and unreserved balance was \$1.6 billion. It is estimated that \$1.2 billion will be obligated or reserved between April 1 and June 30, leaving an unobligated and unreserved balance of \$342 million at the close of the fiscal year.

Section 11 (c) of the bill limits the unobligated and unreserved funds which may be carried forward to \$200 million plus unobligated



balances in the President's Fund for Asian Economic Development (amounting to \$90 million) and in the account for relief, rehabilitation, and resettlement of Palestine refugees (amounting to \$45 million). This provision, which is similar to one contained in the Mutual Security Act of last year, will insure that money which is not obligated will not be carried over in relatively substantial amounts. It will mean that money which is carried over will be firmly committed and obligated and will not be available as a backlog for future planning. Exceptions are made for the President's Fund for Asian Economic Development and for the Palestine refugee fund. In authorizing these funds originally, Congress did not contemplate that they would be obligated within a single year and they, therefore, should not be reduced because they remain unobligated.

As indicated above, the total unobligated and unexpended balances in the mutual security program do not appear unduly large in relationship to the overall size of the program and in view of the peculiar operating difficulties which it confronts. At the same time, however, the committee is by no means convinced that the agencies concerned, principally Defense and ICA, have done all that they could to improve their programing procedures and to achieve a more even rate of obligation and expenditure throughout the year. The committee realizes that the mutual security appropriation bill is rarely passed before the start of the fiscal year for which it provides funds. It further realizes that the bill rarely appropriates the sums requested by the executive branch and that a certain amount of reprograming necessarily follows. The committee does not understand, however, why the original programing cannot be done within the framework of a system of priorities which could then be easily applied to the final appropriations.

The committee is also of the opinion that more consideration should be given within the executive branch to the suggestion of the Comptroller General that appropriations for the mutual security program be put on an accrued expenditure basis. The committee hopes that within the coming year the General Accounting Office, the Department of Defense, ICA, and the Bureau of the Budget will explore the matter further and will be prepared to present mature, considered judgments at the time this program is considered next year.

## 28. INTERNATIONAL FOOD AND RAW MATERIALS RESERVE (SEC. 11 (d))

Section 11 (d) of the bill expresses the sense of Congress that the President should explore with other nations the establishment of an International Food and Raw Materials Reserve under the auspices of the United Nations and related international organizations. The Reserve would be organized for the purpose of acquiring and storing in appropriate countries raw or processed farm products and other raw materials, exclusive of minerals with a view to—

- (1) preventing extreme price fluctuations in the international market in these commodities;
- (2) preventing famine and starvation;
- (3) helping absorb temporary market surpluses of farm products and other raw materials (exclusive of minerals);
- (4) economic- and social-development programs formulated in cooperation with other appropriate international agencies.

Before the United States joins such a reserve, however, the President will be required to obtain authorization by the Congress, either by treaty or legislation, for such participation. The President is further required to make reports on action under this proposed section in his semiannual reports to the Congress.

The proposed amendment is based upon Senate Resolution 86, to provide for the creation of an international food and raw materials reserve, introduced on March 30, 1955, by Senator Murray and 22 other Senators. A subcommittee of the Committee on Foreign Relations held hearings on May 28 and 29, 1956, on this resolution and Senate Resolution 85, a similar proposal by Senators Scott and Murray, which favored the creation and operation of a world food bank. Representatives of the executive branch opposed the resolutions on the grounds that sufficient legislative authority existed to deal with surplus agricultural commodities and that some aspects of the resolutions would restrict the President too much in dealing with this problem. With one exception, all other witnesses heard—among them representatives of the National Farmers Union, United Automobile Workers of America, Americans for Democratic Action, Cooperative League of the United States of America, International League for Peace and Freedom, and the Committee for Economic Stability, as well as Senators Murray and Scott, the principal sponsors—strongly favored the resolutions. The one exception, a spokesman for the American Smelting & Refining Co., favored the exclusion of minerals.

Inasmuch as the Committee on Foreign Relations was simultaneously considering the problem of surplus agricultural commodities in connection with the Mutual Security Act of 1956, the committee voted to incorporate the substance of Senate Resolution 86 as section 11 (d) of the bill as reported. The amendment is not mandatory and excludes minerals. The committee's action was based on a strong sentiment that more imaginative and vigorous action was necessary to find ways of using agricultural surpluses. It was not satisfied that the administration had done its utmost to explore every possible avenue of making effective use of these commodities. So while the language of the proposed amendment does not make it mandatory for the President to explore the creation of a raw materials reserve, the committee hopes and expects that he will do so unless there are overriding reasons to the contrary. It should also be pointed out that the bill does not attempt to anticipate the results of the President's explorations and specifically reserves to Congress the right to reexamine any plan which may be presented.

#### 29. FOREIGN RESEARCH REACTOR PROJECTS (SEC. 12)

This section of the bill authorizes an appropriation for fiscal 1957 of \$5,950,000 to finance nuclear research reactor projects abroad.

This is 1 of 3 programs financed by mutual security funds for promoting peaceful uses of atomic energy on an international basis. A portion of the President's Fund for Asian Economic Development is being used to assist the Colombo plan countries in establishing in Asia a center for nuclear training and research. Also, a number of trainees from foreign countries are being brought to the United States under the technical cooperation program to participate in training courses at such centers as the Argonne School of Nuclear Science and Engi-



neering and the Oak Ridge Institute of Nuclear Studies. All of these activities are a part of the atoms-for-peace program outlined by President Eisenhower in his address before the United Nations General Assembly in December 1953.

Under the Atomic Energy Act of 1954 no country may receive assistance in constructing a research reactor until it has concluded with the United States the agreement required by the act. Each agreement includes guaranties for the maintenance of security safeguards by the foreign government and guaranties that any nuclear material transferred will not be used for atomic weapons or research toward atomic weapons. The uranium to be furnished is not of weapons grade and it is being leased, not given, to the foreign government. In these bilateral agreements the foreign country agrees to allow United States technicians to inspect at any time the facilities which we have helped to create. The agreements provide for the exchange of information on the use of research reactors in related health and safety problems and the use of radioactive materials in research and therapy in various fields of knowledge. The pending bill specifically provides that it does not in any way affect the provisions of the Atomic Energy Act.

The bill also limits the United States contribution to any reactor furnished under this section to \$350,000. This is one-half the estimated cost of a typical project including the necessary surveys, supporting facilities, and services.

It is expected that nearly 50 foreign countries will eventually sign agreements under the Atomic Energy Act of 1954 for cooperation in the development of peaceful atomic applications. Of this number it is expected that 37 countries will request financial assistance under the President's offer in the establishment of research reactor programs. For the purposes of budgeting it is anticipated that 8 projects will be approved prior to June 30, 1956; that 17 projects will be approved during the fiscal year 1957; and that the remaining 12 projects will qualify for assistance in subsequent years. For the 8 projects which are expected to get underway in fiscal 1956, up to \$2.8 million (or \$350,000 each) is being made available from the President's special fund under section 401 of the Mutual Security Act of 1954. The authorization of \$5,950,000 contained in section 11 of the bill will provide for 17 contributions of \$350,000 each toward the projects expected to be approved during fiscal 1957.

The committee believes that this activity will prove helpful to the foreign countries which participate and will return dividends in cooperation and knowledge to the United States. The authorization in section 12 of the bill will make an important contribution to the success of the atoms-for-peace program. The bill makes provision for appropriate publicity regarding the United States contribution to the program.

### 30. TRANSFER OF FUNDS FOR EDUCATIONAL EXCHANGE (SEC. 13)

Section 13 of the bill expresses the sense of Congress that \$11 million of the funds made available should be transferred, in the discretion of the President, to the Department of State for international educational exchange activities. The bill specifies that the amount so transferred shall be in addition to funds otherwise appropriated for such

activities and that not more than \$500,000 of the amount transferred may be used for administrative expenses.

This section is designed to make available for the exchange program in fiscal 1957 the full amount of \$31 million recommended by the Advisory Commission on Educational Exchange. The budget request for this activity was reduced to \$20 million in the process of fitting it into an overall ceiling for the Department of State. This budget request of \$20 million was appropriated in the State Department appropriation bill. It seems to the committee, however, to be highly important that the full amount recommended by the Advisory Commission be provided. The educational exchange program is widely recognized as one of the most effective long-term activities of the United States Government. The Soviet Union is increasingly entering the exchange-of-persons field and our own activities in this respect should be stepped up.

### 31. TECHNICAL DEFINITIONS (SEC. 11 (b) (2))

This provision of the bill would add in section 545 of the act two new subsections defining the terms "agency administering nonmilitary assistance" and "officer administering nonmilitary assistance" as any agency or officer to whom nonmilitary functions are delegated under the act. The terms in question are employed in a number of places in the proposed bill. Using these general terms in the act, rather than the specific titles of individual agencies and officers, will avert the need to make numerous cumbersome technical amendments in the act to reflect any changes in organizational titles and arrangements with respect to administration of nonmilitary assistance.

### 32. COTTON TEXTILE IMPORTS

The committee gave earnest consideration to a proposal which would have resulted in quota restrictions on imports of cotton textiles and certain other products. There is no doubt that some segments of the cotton textile industry in the United States are now in economic distress as the result of imports of low-priced Japanese products—principally blouses, velveteens, and gingham. On the other hand, total imports of cotton cloth into the United States in 1955 amounted to only 133 million square yards, or 1.2 percent of the domestic production of 11 billion square yards. United States exports of raw cotton to Japan total \$120 million a year as compared to United States imports of cotton textiles from Japan of \$60 million. It must also be remembered that Japan is the largest single customer for American agricultural exports. These exports include important quantities of wheat, rice, and soybeans, as well as cotton.

These facts are recited not to belittle the problem of particular segments of the American cotton textile industry but to indicate some of the ramifications of a quota approach to that problem. The Japanese have themselves voluntarily limited their exports of these products to the American market. But the Japanese must export somewhere; otherwise, they cannot maintain a reasonable standard of living. One of the objectives of American policy in the Far East is to develop more intraregional trade between Japan and other free Asia



nations. In the absence of this trade and in the absence of trade with the United States, the pressure will become intense for Japan to look to the Soviet Union and to Communist China as trading partners. The political and military consequences to the United States of Japan thus slipping into the Soviet orbit would be enormous.

Meanwhile there is provision in existing law for procedures to be followed by the affected American textile manufacturers in seeking relief. The Tariff Commission is now actively engaged in hearings under these procedures. The committee hopes that the Tariff Commission and other interested agencies of the executive branch continue to pursue this matter expeditiously so that some final action may be had before Congress adjourns. The committee expects the executive branch to keep it informed of developments in this regard.

The problem involved here is of great concern to the Foreign Relations Committee, but the committee was in some doubt as to its jurisdiction over the question in the precise form in which it was presented—namely, a proposal involving tariffs. For these and other reasons which have been indicated, therefore, the committee voted to refer the matter to the Committee on Finance with an expression of the Foreign Relations Committee's hope that the Finance Committee would follow the Tariff Commission proceedings closely and would give the question its most careful consideration.

#### CHANGES IN EXISTING LAW

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

#### MUTUAL SECURITY ACT OF 1954

AN ACT To promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1954".*

*SEC. 2. STATEMENT OF POLICY.—(a) The Congress of the United States, recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable to provide compatible with its own stability, strength,*

*and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.*

(b) It is the sense of the Congress that inasmuch as—

(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of western Europe;

(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world,

those nations that have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

(c) It is the sense of the Congress that assistance under this Act, shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence.

(d) *It is the sense of the Congress that assistance furnished out of funds hereafter made available for aid to the newly independent states in Africa should be furnished in the same manner as in the case of other independent states.*

## TITLE I—MUTUAL DEFENSE ASSISTANCE

### CHAPTER 1. MILITARY ASSISTANCE

SEC. 103. AUTHORIZATIONS.—(a) (1) There is hereby authorized to be appropriated to the President, in addition to appropriations authorized by section 104, not to exceed \$1,270,000,000 to carry out the purpose of this chapter; and, in addition, unexpended balances of appropriations for military assistance under each paragraph of the Mutual Security Appropriation Act, 1954 (including the appropriation for mutual special weapons planning), are hereby authorized to be continued available for the purpose of this chapter and to be consolidated with the appropriation authorized by this subsection; all of which is hereby authorized to be continued available through June 30, 1955.

(2) In addition, there is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$1,133,000,000, to remain available until expended.

(3) *There is hereby authorized to be appropriated to the President for the fiscal year 1957 program to carry out the purposes of this chapter not to exceed \$925,000,000 which shall remain available until expended.*

(4) *In addition to the authorization in paragraph (3) of this section, there is hereby authorized to be appropriated to the President not to exceed \$1,600,000,000 to remain available until expended and to be used only for the purpose of purchasing equipment and materials for the Armed Forces of the United States, in replacement for equipment and*



*materials of a corresponding value which the Secretary of Defense is hereby authorized to furnish from Department of Defense stocks in accordance with the terms of this Act applicable to military assistance and within the limits of appropriations made pursuant to this authorization. In the discretion of the Secretary of Defense, the Department of Defense may use such appropriations for replacement in advance of delivery of such equipment and materials in the possession of the Department of Defense or may incur, in applicable appropriations, obligations in anticipation of reimbursement from such appropriations for replacement.*

(b) Funds made available pursuant to subsection (a) of this section shall be available for the administrative and operating expenses of carrying out the purpose of this chapter and of section 124 including expenses incident to United States participation in international security organizations.

(c) When appropriations made pursuant to subsection (a) of this section are used to furnish military assistance on terms of repayment within ten years or earlier such assistance may be furnished, notwithstanding sections 105, 141, and 142, to nations eligible to purchase military equipment, materials, and services under section 106.

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SEC. 105. CONDITIONS APPLICABLE TO MILITARY ASSISTANCE.—(a) Military assistance may be furnished under this chapter to any nation whose increased ability to defend itself the President shall have determined to be important to the security of the United States and which is otherwise eligible to receive such assistance. Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation.

(b) In addition to the authority and limitations contained in the preceding subsection, the following provisions shall apply to particular areas:

(1) The Congress welcomes the recent progress in European cooperation and reaffirms its belief in the necessity of further efforts toward political federation, military integration, and economic unification as a means of building strength, establishing security, and preserving peace in the North Atlantic area. In order to provide further encouragement to such efforts, the Congress believes it essential that this Act should be so administered as to support concrete measures to promote greater political federation, military integration, and economic unification in Europe.

(2) Military assistance furnished to any nation in the Near East and Africa to permit it to participate in the defense of its area shall be furnished only in accordance with plans and arrangements which shall have been found by the President to require the recipient nation to take an important part therein.

(3) In furnishing military assistance in Asia and in carrying out the provisions of section 121 of this Act, the President shall

give the fullest assistance, as far as possible directly, to the free peoples in that area, including the Associated States of Cambodia, Laos, and Vietnam, in their creation of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties, and to protect their security and independence.

(4) Military assistance may be furnished to the other American Republics only in accordance with defense plans which shall have been found by the President to require the recipient nation to participate in missions important to the defense of the Western Hemisphere.

[(c) The Secretary of Defense shall insure that the value (as determined pursuant to section 545) of equipment, materials, and services heretofore furnished under military assistance programs authorized by Acts repealed by this Act or hereafter furnished pursuant to section 103 (a) to nations or organizations in each of the four areas named in this subsection shall not exceed the total of the funds heretofore made available for military assistance in that area pursuant to Acts repealed by this Act plus the amount herein specified for that area :

[(1) In the European area (excluding Greece and Turkey, \$617,500,000.

[(2) In the Near East (including Greece and Turkey) and Africa, \$181,200,000.

[(3) In Asia, \$583,600,000.

[(4) In the Western Hemisphere, \$13,000,000.

[(d) Whenever the President determines it to be necessary for the purpose of this title, equipment, materials, and services of a value not to exceed 15 per centum of the sum of (1) that portion of the unexpended balances referred to in section 103 (a) which was available on June 30, 1954, to furnish assistance in any of the areas named in subsection (c) of this section, and (2) the amount specified in the applicable paragraph of subsection (c) of this section for additional assistance in such area, may be furnished in any other such area or areas, notwithstanding the limitations set forth in subsection (c) of this section. Funds heretofore obligated or programmed or hereafter made available solely for the purpose of section 104 (pertaining to infrastructure) shall not be included in the total fixed for each such area. Funds heretofore appropriated for military assistance in a particular geographic area but transferred from such use under section 513 of the Mutual Security Act of 1951, as amended, or under section 408 (c) of the Mutual Defense Assistance Act, shall be included in the total for the area for the benefit of which such transfer was made, and not in the total for the area from which the transfer was made.]

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### CHAPTER 3—DEFENSE SUPPORT

SEC. 131. GENERAL AUTHORITY.—(a) The President is hereby authorized to furnish, to nations and organizations eligible to receive military assistance under chapter 1 of this title, or to nations which have joined with the United States in a regional collective defense arrangement, commodities, services, and financial and other assistance



designed to sustain and increase military effort. In furnishing such assistance, the President may provide for the procurement and transfer from any source of any commodity or service (including processing, storing, transporting, marine insurance, and repairing) or any technical information and assistance.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 to carry out the provisions of this section, not to exceed—

- (1) \$46,000,000 for Europe (excluding Greece and Turkey);
- (2) \$73,000,000 for the Near East (including Greece and Turkey, Africa, and South Asia; and
- (3) \$80,098,195 for the Far East and the Pacific.

In addition, unexpended balances of appropriations heretofore made pursuant to section 541 of the Mutual Security Act of 1951, as amended, are hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized for the same area by this subsection: *Provided*, That portions of such unexpended balances which have been allocated to assistance for Greece and Turkey shall be consolidated with the appropriation authorized by paragraph (2) of this subsection.

(c) There is hereby authorized to be appropriated to the President for the fiscal year 1956 to carry out the provisions of this section, not to exceed—

- (1) \$92,000,000 for Europe (excluding Greece and Turkey);
  - (2) \$102,500,000 for the Near East (including Greece and Turkey) and Africa; and
  - (3) \$827,800,000 for Asia **L. 1**;
- and for the fiscal year 1957 not to exceed—

- (1) \$78,700,000 for Europe (excluding Greece and Turkey);
- (2) \$170,000,000 for the Near East (including Greece and Turkey) and Africa;
- (3) \$882,000,000 for Asia; and
- (4) \$37,000,000 for Latin America.

*Funds made available under paragraph (4) may be used to furnish assistance designed to sustain and increase military effort or political or economic stability, and may be used without regard to the requirements of sections 141 and 142 in the case of any nation which is a party to the Inter-American Treaty of Reciprocal Assistance and which has adhered to the resolution of 1954 entitled "Declaration of Solidarity for the Preservation of the Political Integrity of the American States against the Intervention of International Communism."*

Funds made available for assistance to Korea from appropriations authorized by this section may be used in accordance with the applicable provisions of section 132 of this Act.

(d) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II: *Provided*, That in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased

with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

#### CHAPTER 4—GENERAL PROVISIONS RELATING TO MUTUAL DEFENSE ASSISTANCE

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*SEC. 143. Notwithstanding any other provision of law, no assistance under this title or any other title of this Act, or under any provision of law repealed by section 542 (a) of this Act, shall be furnished to Yugoslavia after the expiration of 90 days following the date of the enactment of this section, unless the President finds (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this Act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, and (2) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this Act.*

#### TITLE II—DEVELOPMENT ASSISTANCE

SEC. 201. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1955, not to exceed—

(1) \$115,000,000 for assistance designed to promote the economic development of the Near East and Africa, and for other types of assistance designed to help maintain economic and political stability in the area;

(2) \$75,000,000 for assistance designed to promote the economic development of Asia and to assist in maintaining economic and political stability in the area; and

(3) \$9,000,000 for assistance designed to promote economic development in the other American Republics and non-self-governing territories of the Western Hemisphere and to assist in maintaining economic and political stability in the area.

Such assistance may be furnished on such terms and conditions as the President may specify and shall emphasize loans rather than grants wherever possible.

(b) In addition, unexpended balances of appropriations heretofore made pursuant to sections 206 and 302 (b) of the Mutual Security Act of 1951, as amended, and unexpended balances of funds allocated to the emergency economic aid program for Bolivia are hereby authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriations authorized by paragraphs (1), (2), and (3) of subsection (a) of this section, respectively.

(c) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$73,000,000, \$71,000,000 and \$38,000,000, to furnish assistance under paragraphs (1), (2), and (3), respectively, of subsection (a) of this section.

(d) *There is hereby authorized to be appropriated to the President for the fiscal year 1957 not to exceed \$63,000,000 and \$80,000,000 to*



furnish assistance under paragraphs (1) and (2) respectively, of subsection (a) of this section.

(e) *Funds made available under this title may be used for expenses (other than those provided for under section 411 (c) of this Act) to assist in carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance.*

SEC. 202. ADMINISTRATION.—Except as necessary to accomplish the purposes of section 201, programs of assistance authorized by that section shall be administered in accordance with sections 303 and 308 (relating to technical cooperation). The authority provided in section 307 may be exercised for purposes of furnishing assistance under section 201.

SEC. 203. REQUIREMENT REGARDING FURNISHING ASSISTANCE ON TERMS OF REPAYMENT.—*Seventy-five per centum of the assistance furnished from funds made available after the date of enactment of the Mutual Security Act of 1956 under this title or under section 420 may be provided only on terms of repayment, except (1) when such funds are used to finance sales of surplus agricultural commodities under section 402, or (2) when granted for the purpose of a regional project involving two or more beneficiary nations.*

### TITLE III—TECHNICAL COOPERATION

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SEC. 304. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1955 \$88,570,000 for technical cooperation programs in the Near East, Africa, South Asia, and Far East and Pacific, and \$28,500,000 for such programs in Latin America. In addition, unexpended balances of appropriations heretofore made pursuant to section 543 of the Mutual Security Act of 1951, as amended, are authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriation authorized by this section.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$146,500,000, and for the fiscal year 1957 not to exceed \$140,500,000 for technical cooperation programs in the Near East and Africa, Asia and Latin America.

SEC. 305. LIMITATION ON USE OF FUNDS.—Funds made available under section 304 may be expended to furnish assistance in the form of equipment or commodities only where necessary for instruction or demonstration purposes.

SEC. 306. MULTILATERAL TECHNICAL COOPERATION.—As one means of accomplishing the purposes of this title, the United States is authorized to participate in multilateral technical cooperation programs carried on by the United Nations, the Organization of American States, their related organizations, and other international organizations, wherever practicable. There is hereby authorized to be appropriated to carry out the purpose of this section, in addition to the amounts authorized by section 304, not to exceed—

(a) \$17,958,000 for making contributions to the United Nations Expanded Program of Technical Assistance; in addition, \$24,000,000

for the fiscal year 1956 [for contributions to the United Nations Expanded Program of Technical Assistance;], and \$15,500,000 for the fiscal year 1957, for such contributions;

(b) \$1,500,000 for making contributions to the technical cooperation program of the Organization of American States; in addition, \$1,500,000 for the fiscal year 1956 [for contributions to the technical cooperation programs of the Organization of American States.], and \$1,500,000 for the fiscal year 1957, for such contributions.

SEC. 307. ADVANCES AND GRANTS; CONTRACTS.—The President may make advances and grants-in-aid of technical cooperation programs to any person, corporation, or other body of persons or to any foreign government agency. The President may make and perform contracts and agreements in respect to technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency. A contract or agreement which entails commitments for the expenditure of funds appropriated pursuant to this title may, subject to any future action of the Congress, [run for not to exceed three years.] *extend at any time for not more than three years.*

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#### TITLE IV—OTHER PROGRAMS

SEC. 401. SPECIAL FUND.—(a) Of the funds made available under this Act, not to exceed [ \$50,000,000 ] *\$150,000,000*, in addition to the funds authorized to be appropriated under subsection (b) hereof, may be used in any fiscal year, without regard to the requirements of this Act or any other Act for which funds are authorized by this Act, in furtherance of any of the purposes of such Acts, when the President determines that such use is important to the security of the United States. Not to exceed \$100,000,000 of the funds available under this section may be expended for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia or the Communist-dominated or Communist-occupied areas of Germany [and Austria], or any Communist-dominated or Communist-occupied areas of Asia and any other countries absorbed by the Soviet Union, either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the United States. Certification by the President that he has expended amounts under this Act not in excess of \$50,000,000, and that it is inadvisable to specify the nature of such expenditures, shall be deemed a sufficient voucher for such amounts. Not more than [ \$20,000,000 ] *\$30,000,000* of the funds available under this section may be allocated to any one nation in any fiscal year.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 \$100,000,000, and for the fiscal year 1957 not to exceed \$100,000,000, for use in accordance with subsection (a) of this section.



SEC. 402. EARMARKING OF FUNDS.—Of the funds authorized to be made available pursuant to this Act for the fiscal year 1956, not less than \$300,000,000, *and of the funds so authorized for the fiscal year 1957 not less than \$250,000,000*, shall be used to finance the export and sale for foreign currencies of surplus agricultural commodities or products thereof produced in the United States, in addition to surplus agricultural commodities or products transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954, and in accordance with the standards as to pricing and the use of private trade channels expressed in section 101 of said Act. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this Act. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section.

SEC. 403. SPECIAL ASSISTANCE IN JOINT CONTROL AREAS.—(a) The President is hereby authorized to furnish commodities, services, and financial and other assistance to nations and areas for which the United States has responsibility at the time of the enactment of this Act as a result of participation in joint control arrangements where found by the President to be in the interest of the security of the United States. There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$25,000,000 to carry out this section.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$21,000,000, *and for the fiscal year 1957 not to exceed \$12,200,000*, to carry out this section.

SEC. 405. MIGRANTS, REFUGEES, AND ESCAPEES.—(a) The President is hereby authorized to continue membership for the United States on the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of migrants, there is hereby authorized to be appropriated not to exceed \$11,189,190 for contributions during the calendar year 1955 to the Intergovernmental Committee for European Migration, and thereafter such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee. In addition, the unexpended balance of the appropriation made pursuant to section 534 of the Mutual Security Act of 1951, as amended, is hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized in this subsection.

(b) Of the funds made available under this Act, not more than \$800,000 may be used by the President to facilitate the migration to the other American Republics of persons resident in that portion of the Ryukyu Island Archipelago under United States control.

(c) There is hereby authorized to be appropriated for the fiscal year 1956 not to exceed \$1,400,000, *and for the fiscal year 1957 not to*

*exceed \$2,300,000*, for contributions to the United Nations Refugee Fund.

(d) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$6,000,000, *and for the fiscal year 1957 not to exceed \$7,000,000*, for continuation of activities, including care, training, and resettlement, which have been undertaken for selected escapees under section 401 of this Act.

SEC. 406. CHILDREN'S WELFARE.—(a) There is hereby authorized to be appropriated not to exceed \$13,500,000 for contributions during the fiscal year 1955 to the United Nations Children's Fund.

(b) There is hereby authorized to be appropriated for the fiscal year 1956 not to exceed \$14,500,000, *and for the fiscal year 1957 not to exceed \$10,000,000*, for contributions to the United Nations Children's Fund.

SEC. 407. PALESTINE REFUGEES IN THE NEAR EAST.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1955, not to exceed \$30,000,000, to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. In addition, the unexpended balance of the appropriation made for the Palestine refugee program in the Mutual Security Appropriation Act, 1954, is hereby authorized to be continued available for the purpose of this section through June 30, 1955. Whenever the President shall determine that it would more effectively contribute to the relief, rehabilitation, and resettlement of Palestine refugees in the Near East, he may expend any part of the funds made available pursuant to this section through any other agency he may designate.

(b) There is hereby authorized to be appropriated to the President [for the fiscal year 1956] not to exceed \$65,000,000 to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

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SEC. 409. OCEAN FREIGHT CHARGES.—

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(c) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$4,400,000 to carry out the purposes of this section; and, in addition, unexpended balances of appropriations heretofore made pursuant to section 535 of the Mutual Security Act of 1951, as amended, are authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriation authorized in this section. There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$2,000,000, *and for the fiscal year 1957 not to exceed \$3,000,000*, to carry out the purposes of this section.

(d) There is hereby authorized to be appropriated to the President for the fiscal year 1956 not to exceed \$13,000,000 to pay ocean freight charges on shipments of surplus agricultural commodities, including commodities made available pursuant to any Act for the disposal abroad of United States agricultural surpluses. In addition, any funds made available under this Act may be used, in amounts determined by the President, for the purposes of this subsection.

SEC. 410. CONTROL ACT EXPENSES.—There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed



\$1,300,000, and for the fiscal year 1956 not to exceed \$1,175,000, *and for the fiscal year 1957 not to exceed \$1,175,000*, for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U. S. C. 1611). In addition, in accordance with section 303 of that Act, funds made available for carrying out chapter 1 of title I of this Act shall be available for carrying out the purpose of this section in such amounts as the President may direct.

SEC. 411. ADMINISTRATIVE AND OTHER EXPENSES.—

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(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed \$34,700,000, and for the fiscal year 1956 not to exceed \$35,225,000, **[for all necessary administrative expenses incident to carrying out the provisions of this Act other than chapter 1 of title I and section 124]** *and for the fiscal year 1957 not to exceed \$35,250,000 for necessary administrative expenses incident to carrying out the provisions of this Act (other than chapter 1 of title I and section 124).*

(c) *Not to exceed \$1,500,000 of funds made available under title II may be transferred in the fiscal year 1957 for necessary administrative expenses not otherwise provided for incident to carrying out functions under the Agricultural Trade and Development Assistance Act of 1954, as amended (7 U. S. C. 1691 et seq.), delegated or assigned to any agency or officer administering nonmilitary assistance, and the amounts so transferred shall be consolidated with funds made available pursuant to this section for said fiscal year.*

(d) *There are authorized to be appropriated to the Department of State such amounts, not to exceed \$7,000,000 in any fiscal year, as may be necessary from time to time for administrative expenses which are incurred for normal functions of the Department which relate to functions under this Act.*

(e) **[(c)]** Funds made available for the purposes of this Act may be used for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act.

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SEC. 413. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free world. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other free nations to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture and commerce, and to

strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of other free nations, through private trade and investment abroad, private participation in the programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this section.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President—

(1) shall make arrangements to find and draw the attention of private enterprise to opportunities for investment and development in other free nations;

(2) shall accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to, *and its equitable treatment in*, nations participating in programs under this Act;

(3) shall, consistent with the security and best interests of the United States, seek compliance by other countries or a dependent area of any country with all treaties for commerce and trade and taxes and shall take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or dependent area thereof in violation of any such treaty; and

(4) may make, until **[June 30, 1957]** *June 30, 1967*, under rules and regulations prescribed by him, guaranties to any person of investments in connection with projects, including expansion, modernization, or development of existing enterprises, in any nation with which the United States has agreed to institute the guaranty program. *Provided, That—*

(A) such projects shall be approved by the President as furthering any of the purposes of this Act, and by the nation concerned;

(B) the guaranty to any person shall be limited to assuring any or all of the following:

(i) the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

(ii) the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the President to have been lost to such person by reason of expropriation or confiscation by action of the government of a foreign nation;

(C) when any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency, credits, assets, or investment on account of which such payment is



made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim or cause of action existing in connection therewith;

(D) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the President plus actual earnings or profits on said project to the extent provided by such guaranty, and shall be limited to a term not exceeding twenty years from the date of issuance;

(E) a fee shall be charged in an amount not exceeding 1 per centum per annum of the amount of each guaranty under clause (i) of subparagraph (B) and not exceeding 4 per centum of the amount of each guaranty under clause (ii) of such subparagraph, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this section until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this section;

[(F) the President is authorized to issue guaranties up to a total of \$200,000,000: *Provided*, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, shall be available for allocation to other guaranties, the foregoing limitation notwithstanding. Any payments made to discharge liabilities under guaranties issued under this subsection shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, when necessary to discharge liabilities under any such guaranty;]

*(F) the President is authorized to issue guaranties up to a total face value of \$500,000,000 exclusive of informational media guaranties heretofore and hereafter issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (b) (3)) : Provided, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, and funds realized after June 30, 1955, from the sale of currencies or other assets acquired pursuant to subparagraph (C), shall be available for allocation to other guaranties, and the foregoing limitation shall be increased to the extent that such funds become available. Any payments made to discharge liabilities under guaranties issued under this paragraph shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subpara-*

graph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: Provided, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purpose of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: Provided further, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2).

(G) the guaranty program authorized by this paragraph shall be used to the maximum practicable extent and shall be administered under broad criteria so as to facilitate and increase the participation of private enterprise in achieving any of the purposes of this Act;

(H) as used in this paragraph—

(i) the term "person" means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States, and

(ii) the term "investment" includes any contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital goods items and related services pursuant to a contract providing for payments in whole or in part after the end of the fiscal year in which the guaranty of such investment is made.

\* \* \* \* \*

#### SEC. 418. PRESIDENT'S FUND FOR ASIAN ECONOMIC DEVELOPMENT.—

(a) The Congress of the United States reaffirms the policy of the United States to contribute to international peace and security through assisting the peoples of free Asia in their efforts to attain economic and



social well-being, to safeguard basic rights and liberties, and to protect their security and independence. The Congress hereby recognizes that fundamental to these goals is an expanding economic growth of the free Asia area based upon self-help and mutual cooperation and full utilization of already existing resources and knowledge. The Congress expresses the willingness of the people of the United States to support the foregoing objectives to the extent to which the countries in the area continue to make effective use of their own resources and external resources otherwise available to them.

(b) In order to carry out the purposes of this section, there is hereby authorized to be established a fund, to be known as the "President's Fund for Asian Economic Development" (hereinafter referred to as "the Fund") and there is hereby authorized to be appropriated to the President for the Fund an amount of \$200,000,000, such amount to remain available until June 30, 1958.

(c) The President is authorized to utilize the appropriations made available for the Fund to accomplish in the free Asian area the policies and purposes declared in this Act and to disburse on such terms and conditions, including transfer of funds, as he may specify to any person, corporation, or other body of persons however designated, or to any friendly foreign government, agency, or organization or group of friendly governments or agencies as may be appropriate: *Provided, however,* That such assistance shall emphasize loans rather than grants wherever possible, and not less than 50 per centum of the funds appropriated pursuant to this section shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505, and not more than 25 per centum of said funds may be allocated for assistance to any one nation.

(d) In utilizing the Fund the President shall give preference to projects or programs that will clearly contribute to promoting greater economic strength in the area as a whole or among a group or groups of countries of the area.

\* \* \* \* \*

*Sec. 420. Special Authorization for the Middle East and Africa.—There is hereby authorized to be appropriated to the President for the fiscal year 1957 not to exceed \$100,000,000 for assistance in the general area of the Middle East and Africa in accordance with provisions in this Act applicable to the furnishing of assistance under chapter 3 of title I, title II, title III or section 407.*

*Sec. 421. Food and Agricultural Organization.—Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking out the figure "2,000,000" in section 2 thereof and inserting in lieu thereof the figure "3,000,000", and by inserting before the period at the end of such section a colon and the following: "Provided, That the percentage contribution of the United States to the total annual budget of the Organization shall not exceed 31.5 per centum".*

## TITLE V—MISCELLANEOUS PROVISIONS

### CHAPTER 1. GENERAL PROVISIONS

**SEC. 501. TRANSFERABILITY OF FUNDS.**—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed

10 per centum of the funds made available pursuant to any provision of this Act may be transferred to and consolidated with the funds made available pursuant to any other provisions of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount made available for such provision pursuant to this Act. [Funds transferred under this section to furnish military assistance under chapter 1 of title I may be expended without regard to the area limits imposed by section 105 (c). Of any funds transferred under this section for the purpose of furnishing assistance under section 201, 30 per centum shall be available only for furnishing assistance on terms of repayment in accordance with section 505. Not less than 50 per centum of any assistance furnished under paragraph (1), (2), or (3) of section 201 (a) with funds transferred under this section shall be furnished on terms of repayment in accordance with section 505.]

SEC. 502. USE OF FOREIGN CURRENCY.—(a) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, proceeds of sales made under section 550 of the Mutual Security Act of 1951, as amended, shall remain available and shall be used for any purposes of this Act, giving particular regard to the following purposes—

(1) for providing military assistance to nations or mutual defense organizations eligible to receive assistance under this Act;

(2) for purchase of goods or services in friendly nations;

(3) for loans, under applicable provisions of this Act, to increase production of goods or services, including strategic materials, needed in any nation with which an agreement was negotiated, or in other friendly nations, with the authority to use currencies received in repayment for the purposes stated in this section or for deposit to the general account of the Treasury of the United States;

(4) for developing new markets on a mutually beneficial basis;

(5) for grants-in-aid to increase production for domestic needs in friendly countries; and

(6) for purchasing materials for United States stockpiles.

(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, as amended, and to the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report and the Senate Select Committee on Small Business for their local currency expenses: *Provided*, That any such committee of the Congress which uses local currency shall make a full report thereof to the Committee on House Administration of the House of Representatives (if the committee using such currency is a committee of the House of Representatives) or to the Committee on Appropriations of the Senate (if the committee using such currency is a committee of the Senate or a joint committee of the Congress),



showing the total amount of such currency so used in each country and the purposes for which it was expended.

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SEC. 507. AVAILABILITY OF FUNDS.—Except as otherwise provided [in section 104 (pertaining to infrastructure), 405 (pertaining to movement of migrants), 408 (a) (pertaining to North Atlantic Treaty Organization), and 412 (pertaining to Chinese and Korean students)] *in this Act*, funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year.

\* \* \* \* \*

SEC. 509. SHIPPING ON UNITED STATES VESSELS.—Such steps as may be necessary shall be taken to assure, as far as practicable, that at least 50 per centum of the gross tonnage of commodities, materials and equipment procured out of funds made available under sections 103, 123, 131, 132 (a), 201, 304, and 403 of this Act and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services and computed separately for section 103, and for sections 123, 131, 132 (a), 201, 304, and 403 (taken together) is so transported on United States flag commercial vessels to the extent such vessels are available at market rates for United States flag commercial vessels provided such rates are fair and reasonable; and, in the administration of this provision, steps shall be taken, insofar as practicable and consistent with the purposes of this Act, to secure a fair and reasonable participation by United States flag commercial vessels in cargoes by geographic area. The ocean transportation between foreign countries of commodities, materials, and equipment procured out of local currency funds made available or derived from funds made available under this Act *or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 USC 1691 et seq.)*, shall not be governed by the provisions of section 901 (b) of the Merchant Marine Act of 1936, or any other law relating to the ocean transportation of commodities, materials, and equipment on United States flag vessels.

\* \* \* \* \*

SEC. 513. NOTICE TO LEGISLATIVE COMMITTEES.—When any transfer is made under [section 105 (d) or] section 501, an any other action is taken under this Act which will result in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act, or which will result in expenditures greater by 50 per centum or more than the proposed expenditures included in such presentation for the program concerned, the President or such officer as he may designated shall promptly notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives and, when military assistance is involved, the Committees on Armed Services of the Senate and House of Representatives, stating the justification for such change. Notice shall also be given to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives of any determination under the first sentence of section 401 (except with re-

spect to unvouchered funds), and copies of any certification as to loyalty under section 531 shall be filed with such committees.

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## CHAPTER 2. ORGANIZATION AND ADMINISTRATION

SEC. 521. DELEGATION OF AUTHORITY BY THE PRESIDENT.—(a) Except as provided in subsection (b), the President may exercise any power or authority conferred on him by this Act through such agency or officer of the United States as he shall direct, and the head of such agency or such officer may from time to time promulgate such rules and regulations as may be necessary and proper to carry out functions under this Act and may delegate authority to perform any of such functions to his subordinates acting under his direction.

(b) After June 30, 1955, the President shall exercise the powers conferred upon him under title III of this Act through the Secretary of State.

SEC. 522. ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any United States Government agency any part of any funds available for carrying out the purposes of this Act, including any advance to the United States by any nation or international organization for the procurement of equipment or materials or services. Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the Government agencies to which such funds are allocated or transferred. Funds allocated to the Department of Defense shall be governed as to reimbursement by the procedures of subsection (c) of this section.

(b) Any officer of the United States performing functions under this Act may utilize the services and facilities of, or procure commodities from, any United States Government agency as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury. *The Administrator of General Services is authorized to maintain in a separate consolidated account, which shall be free from fiscal year limitations, payments received by the General Services Administration for administrative surcharges in connection with procurement services performed by the General Services Administration in furtherance of the purposes of this Act. Such payments shall be in amounts mutually acceptable to the General Services Administration and the United States Government agency which finances the procurement, and these amounts shall be available for administrative expenses incurred by the General Services Administration in performing such procurement services.*

(c) Reimbursement shall be made to any United States Government agency, from funds available to carry out chapter 1 of title I of this Act, for any assistance furnished under that chapter from, by, or through such agency. Such reimbursements shall be in amount equal to the value (as defined in section 545) of the equipment and materials, services (other than salaries of members of the Armed Forces



of the United States), or other assistance furnished, plus expenses arising from or incident to operations under that chapter. The amount of any such reimbursement shall be credited as reimbursable receipts to current applicable appropriations, funds, or accounts of such agency and shall be available for, and under the authority applicable to, the purposes for which such appropriations, funds, or accounts are authorized to be used, including the procurement of equipment and materials or services, required by such agency, in the same general category as those furnished by it or authorized to be procured by it and expenses arising from the incident to such procurement.

(d) In the case of any commodity, service, or facility procured from any United States Government agency under any provision of this Act other than chapter 1 of title I, reimbursement or payment shall be made to such agency from funds available to carry out such provision. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposal agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts, from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that such replacement is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

(e) In furnishing assistance under this Act and in making surplus agricultural commodities available under section 402 accounts may be established on the books of any United States Government agency or, on terms and conditions approved by the Secretary of the Treasury, in baking institutions in the United States, against which (i) letters of commitment may be issued which shall constitute obligations of the United States, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended, and (ii) withdrawals may be made by recipient nations or agencies, organizations or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) *Any appropriation made to carry out the provisions of this Act may initially be charged, within the limits of available funds, to finance expenses for which funds are available in other appropriations made under this Act: Provided, That as of the end of the same fiscal year such expenses shall be finally charged to applicable appropriations with proper credit to the appropriations initially utilized for financing purposes.*

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SEC. 530. EXPERTS AND CONSULTANTS OR ORGANIZATIONS THEREOF.—  
Experts and consultants or organizations thereof, as authorized by

section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), may be employed by any United States Government agency for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of \$75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence and other expenses at a rate not to exceed \$10 or at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, whichever is higher, while so employed within the continental limits of the United States and at the applicable rate prescribed in the Standardized Government Travel Regulations (Foreign Areas) while so employed outside the continental limits of the United States: *Provided, That contracts for such employment with such organizations may be renewed annually.*

(b) Persons of outstanding experience and ability may be employed without compensation by any United States Government agency for the performance of functions under this Act in accordance with the provisions of section 710 (b) of the Defense Production Act of 1950, as amended (50 U. S. C. App. 2160), and regulations issued thereunder.

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SEC. 535. COOPERATION WITH *Nations* and INTERNATIONAL ORGANIZATIONS.—

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(b) [Whenever the President determines it to be in furtherance of the purposes of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, on an advance of funds or reimbursement basis, to such organizations. Such advances or reimbursements may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used.] *Whenever the President determines it to be in furtherance of the purposes and within the limitations of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, and on request of nations, are authorized to furnish nonmilitary supplies, materials, and services, to such organizations and nations on an advance of funds or reimbursement basis. Such advances or reimbursements which are received under this subsection within 180 days after the close of the fiscal year in which such supplies, materials, and services are delivered, may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used.*

\* \* \* \* \*

SEC. 537. *Provisions on Uses of Funds.*—(a) Appropriations for the purposes of this Act (except for chapter 1 of title I and section 12h), allocations to any United States Government agency, from any other appropriations, for functions directly related to the purposes of



this Act, and funds made available for other purposes to any agency administering non-military assistance, shall be available for—

- (1) rents in the District of Columbia for the fiscal year 1957;
- (2) expenses of attendance at meetings concerned with the purposes of such appropriations, including (notwithstanding the provisions of section 9 of the Act of March 4, 1909 (31 U. S. C. 673)), expenses in connection with meetings of persons whose employment is authorized by section 530 of this Act;
- (3) employment of aliens, by contract, for services abroad;
- (4) purchase, maintenance, operation and hire of aircraft; Provided, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other act;
- (5) purchase and hire of passenger motor vehicles: Provided, That, except as may otherwise be provided in an appropriation or other act, passenger motor vehicles abroad for administrative purposes may be purchased for replacement only and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including exchange allowance, of each such replacement shall not exceed \$3,300 in the case of an automobile for the chief of any special mission or staff abroad established under section 526 of this Act; Provided further, That passenger motor vehicles may be purchased for use in the continental United States only as may be specifically provided in an appropriation or other act;
- (6) entertainment within the United States (not to exceed \$15,000 in any fiscal year except as may otherwise be provided in an appropriation or other act);
- (7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543), and loss by exchange;
- (8) expenditures (not to exceed \$50,000 in any fiscal year except as may otherwise be provided in an appropriation or other act) of a confidential character other than entertainment, provided that a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by an officer administering nonmilitary assistance, or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;
- (9) insurance of official motor vehicles in foreign countries;
- (10) rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 728a)), lease, necessary repairs and alterations to quarters;
- (11) actual expenses of preparing and transporting to their former homes in the United States or elsewhere, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection (a);
- (12) purchase of uniforms;
- (13) payment of per diem in lieu of subsistence to foreign participants engaged in any program of furnishing technical infor-

mation and assistance, while such participants are away from their homes in countries other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding any other provisions of law;

(14) expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801 et seq.), not otherwise provided for;

(15) ice and drinking water for use abroad;

(16) services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the Regular Corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized;

(17) expenses in connection with travel of personnel outside the continental United States, including travel expenses of dependents (including expenses during necessary stop-overs while engaged in such travel) and transportation of personal effects, household goods, or automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during that same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of any employee (i) for not to exceed three months after first arrival at a new post, (ii) when an employee is assigned to a post to which he cannot take or at which he is unable to use his furniture and household and personal effects, or (iii) when such storage would avoid the cost of transporting such furniture and effects from one location to another, under such regulations as an officer administering nonmilitary assistance, or such person as he may designate, may prescribe.

(18) payment of unusual expenses incident to the operation and maintenance of official residences for chiefs of special missions or staffs serving in accordance with section 526 of this Act.

(b) United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange of persons programs or any program of furnishing technical information and assistance administered by any such agency while such participants are enroute or absent from their homes for purposes of participation in any such program.

(c) Not to exceed \$12,000,000 of the funds available in the fiscal year 1957 for assistance in Korea under this Act may be used by the President to construct or otherwise acquire living quarters, office space, and supporting facilities in Korea for use by personnel carrying out activities under this Act.

### CHAPTER 3. REPEAL AND MISCELLANEOUS PROVISIONS

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SEC. 544. AMENDMENTS TO OTHER LAWS.—(a) Title X of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1431), is amended by adding the following new section:

“INFORMATIONAL MEDIA GUARANTIES

“SEC. 1011. The Director of the United States Information Agency may make guaranties, in accordance with the provisions of subsection (b) of section 413 of the Mutual Security Act of 1954, of investments in enterprises producing or distributing informational media consistent with the national interests of the United States against funds heretofore made available by notes issued to the Secretary of the Treasury pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, for purposes of guaranties of investments: *Provided, however,* That the amount of such guaranties in any fiscal year shall be determined by the President but shall not exceed \$10,000,000.”

(b) Section 1 of Public Law 283, Eighty-first Congress is repealed. The Institute of Inter-American Affairs, created pursuant to Public Law 369, Eightieth Congress (22 U. S. C. 281), shall have succession until June 30, 1960, and may make contracts for periods not to exceed five years: *Provided*, That any contract extending beyond June 30, 1960, shall be made subject to termination by the said Institute upon notice: *And provided further*, That the said Institute shall, on and after July 1, 1954, be subject to the applicable provisions of the Budget and Accounting Act, 1921, as amended (31 U. S. C. 1), in lieu of the provisions of the Government Corporation Control Act, as amended (31 U. S. C. 841).

(c) *In section 4 of the Act of May 26, 1949 (63 Stat. 111, 5 U. S. C. 151c) insert after the words “such functions” the following: “, including if he shall so specify the authority successively to redelegate any of such functions.”*

(d) *In the first sentence of section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), after “any agency thereof”, insert “including amounts received in repayment of principal or interest on any loan made under section 505 (b) of the Mutual Security Act of 1954, as amended”.*

(e) *Section 933 of the Foreign Service Act of 1946, as amended (22 U. S. C. 1148), is hereby amended by inserting after “continental United States” where it appears in both subsection (a) and subsection (b) of that section “, its Territories and possessions,”.*

(f) *Section 1441 (c) of the Internal Revenue Code of 1954 is hereby amended by inserting after paragraph (5) the following new paragraph:*

“(6) *Per diem of certain aliens.—No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the United States Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.”*

(g) *Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442) is amended by*

inserting "(a)" before "The Director", by deleting everything after the words "national interests of the United States", by inserting a period at that point, and by inserting the following new subsections:

"(b) The Director is authorized to assume the obligation of not to exceed \$28,000,000 of the notes authorized to be issued pursuant to subsection 111 (c) (2) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (c) (2)), (together with the interest accrued and unpaid thereon) and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.

"(c) The Director is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413 (b) (4) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the Director less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).

"(d) Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties. Such currencies shall be available, as may be provided for by the Congress in appropriation Acts, for use for educational, scientific, and cultural purposes which are in the national interest of the United States, and for such other purposes of mutual interest as may be agreed to by the governments of the United States and the country from which the currencies derive.

"(e) Notwithstanding the provisions of subparagraph 413 (b) (4) (E) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and (2) the Director may require the payment of a minimum charge of up to fifty dollars for issuance of guaranty contracts, or amendments thereto.

"(f) The Director is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: Provided, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within nine months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.

"(g) As soon as feasible after the enactment of this section, all assets, liabilities, income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that Act, shall be accounted for separately from other guaranties issued pursuant to subsection 413 (b) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b)): Provided, That



there shall be transferred from the special account established pursuant to subsection (a) into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and use to make payments under informational media guaranties."

(h) Section 104 (h) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), is amended by adding at the end thereof the following: "Not less than 5 per centum of the aggregate of the foreign currencies accruing under this title, including currencies received in repayments of loans under subsection (g) of this section (which 5 per centum shall not be computed separately for each purchasing country but for all such countries combined), shall be used for the purposes of this subsection. In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection in regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes."

(i) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704) as amended, is further amended by adding after paragraph (h) the following new paragraph:

(i) for financing the translation, publication, and distribution of books and periodicals, including Government publications, abroad: Provided, That not more than \$5,000,000 may be allocated for this purpose during any fiscal year."

SEC. 545. DEFINITIONS.—For the purposes of this Act—

(a) The term "commodity" includes any commodity, material, article, supply, or goods.

(b) The term "surplus agricultural commodity" means any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States either publicly or privately owned, which is in excess of domestic requirement, adequate carry-over, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

(c) The terms "equipment" and "materials" shall mean any arms, ammunition, or implements of war, or any other type of material, article, raw material, facility, tool, machine, supply item that would further the purpose of chapter 1 of title I, or any component or part thereof, used or required for use in connection therewith, or required in or for the manufacture, production, processing, storage, transportation, repair, or rehabilitation of any equipment or materials, but shall not include merchant vessels.

(d) The term "mobilization reserve," as used with respect to any equipment or materials, means the quantity of such equipment or materials determined by the Secretary of Defense under regulations prescribed by the President to be required to support mobilization of the Armed Forces of the United States in the event of war or national emergency until such time as adequate additional quantities of such equipment or materials can be procured.

(e) The term "excess," as used with respect to any equipment or materials, means the quantity of such equipment or materials owned by the United States which is in excess of the mobilization reserve of such equipment or materials.

(f) The term "services" shall include any service, repair, training of personnel, or technical or other assistance or information necessary to effectuate the purposes of this Act.

(g) The term "Armed Forces of the United States" shall include any component of the Army of the United States, of the United States Navy, of the United States Marine Corps, of the Air Force of the United States, of the United States Coast Guard, and the Reserve components thereof.

(h) The term "value" means—

(1) with respect to any excess equipment or materials furnished under chapter 1 of title I the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished;

(2) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve other than equipment or materials referred to in paragraph (3) of this subsection), the actual or the projected (computed as accurately as practicable) cost of procuring for the mobilization reserve an equal quantity of such equipment or materials or an equivalent quantity of equipment or materials of the same general type but deemed to be more desirable for inclusion in the mobilization reserve than the equipment or materials furnished;

(3) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve but with respect to which the Secretary of Defense has certified that it is not necessary fully to replace such equipment or materials in the mobilization reserve, the gross cost to the United States of such equipment and materials or its replacement cost, whichever the Secretary of Defense may specify; and

(4) with respect to any equipment or materials furnished under chapter 1 of title I which are procured for the purpose of being so furnished, the gross cost to the United States of such equipment and materials.

In determining the gross cost incurred by any agency in repairing, rehabilitating, or modifying any excess equipment furnished under chapter 1 of title I, all parts, accessories, or other materials used in the course of repair, rehabilitation, or modification shall be priced in accordance with the current standard pricing policies of such agency. For the purpose of this subsection, the gross cost of any equipment or materials taken from the mobilization reserve means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment and materials owned by the furnishing agency. *Notwithstanding the foregoing provisions of this subsection*



(h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the Mutual Defense Assistance Program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability, that the term "value" (except in the case of excess equipment or materials) shall mean—

(1) the price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or

(2) where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value.

(i) The term "United States Government agency" means any department, agency, board, wholly or partly owned corporation, or instrumentality, commission, or establishment of the United States Government.

(j) The term "agency administering nonmilitary assistance" shall refer to any agency to which authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

(k) The term "officer administering nonmilitary assistance" shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

\* \* \* \* \*

SEC. 548. UNEXPENDED BALANCES.—Unexpended balances of funds heretofore made available under authority of this Act are hereby authorized to be continued available for the general purposes for which appropriated, and may be consolidated with appropriations made available beginning in fiscal year [1956] 1957 for the same general purposes under the authority of this Act. *Provided, however, That except for funds appropriated pursuant to section 407, relating to Palestine Refugees, and section 418, relating to the President's Fund for Asian Economic Development, unexpended balances in excess of \$200,000,000 not obligated by June 30 [1955] 1956, in accordance with the provisions of section 1311 of the Supplemental Appropriation Act, 1955 (Public Law 663, Eighty-third Congress), or reserved in accordance with the provisions of section 110 of the Mutual Security Appropriation Act, 1955 (Public Law 778, Eighty-third Congress), are not authorized to be continued available after such date.*

[SEC. 549. (a) STATEMENT OF CONGRESSIONAL POLICY.—It is the sense of the Congress that inasmuch as—

(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of western Europe;

(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world.

those nations that have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

(b) It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence.】

SEC. 549. *It is the sense of the Congress that the President should explore with other nations the establishment of an International Food and Raw Materials Reserve under the auspices of the United Nations and related international organizations for the purpose of acquiring and storing in appropriate countries raw or processed farm products and other raw materials, exclusive of minerals, with a view to their use in—*

- (1) *preventing extreme price fluctuations in the international market in these commodities;*
- (2) *preventing famine and starvation;*
- (3) *helping absorb temporary market surpluses of farm products and other raw materials (exclusive of minerals);*
- (4) *economic and social development programs formulated in cooperation with other appropriate international agencies.*

*Participation by the United States in such an International Food and Raw Materials Reserve shall be contingent upon statutory authorization or treaty approval, as may be appropriate. The President shall include in each of the semiannual reports required by section 534 an account of action taken under this section.*

## OTHER ACTS AMENDED BY THE MUTUAL SECURITY ACT OF 1956

### PUBLIC LAW 174—79TH CONGRESS, AS AMENDED

JOINT RESOLUTION Providing for membership of the United States in the Food and Agriculture Organization of the United Nations

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized to accept membership for the United States in the Food and Agriculture Organization of the United Nations (hereinafter referred to as the "Organization") the Constitution of which is set forth in appendix I of the First Report to the Governments of the United Nations by the Interim Commission on Food and Agriculture, dated August 1, 1944.*

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum not exceeding \$625,000 during the first fiscal year of the Organization and sums not exceeding 【\$2,000,000】 \$3,000,000 annually thereafter as may be



required for expenditure under the direction of the Secretary of State for the payment by the United States of its proportionate share in the expenses of the Organization : *Provided, That the percentage contribution of the United States to the total annual budget of the Organization shall not exceed 31.5 per centum.*

SEC. 3. In adopting this joint resolution, it is the sense of the Congress that the Government of the United States should use its best efforts to bring about, as soon as practicable, the integration of the functions and the resources of the International Institute of Agriculture, with those of the Organization, in a legal and orderly manner, to effect one united institution in such form as to provide an adequate research, informational, and statistical service for the industry of agriculture.

SEC. 4. Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States accept any amendment under paragraph 1 of article XX of the Constitution of the Organization involving any new obligation for the United States.

SEC. 5. In adopting this joint resolution the Congress does so with the understanding that paragraph 2 of article XIII does not authorize the Conference of the Organization to so modify the provisions of its Constitution as to involve any new obligation for the United States.

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#### SECTION 4 OF THE ACT OF MAY 26, 1949 (5 U. S. C. 151c)

SEC. 4. The Secretary of State may promulgate such rules and regulations as may be necessary to carry out the functions now or hereafter vested in the Secretary of State or the Department of State, and he may delegate authority to perform any of such [functions to] *functions, including if he shall so specify the authority successively to redelegate any of such functions, to officers and employees under his direction and supervision.*

#### SECTION 32 (b) (2) OF THE SURPLUS PROPERTY ACT OF 1944, AS AMENDED (50 U. S. C. APP. 1641)

(2) In carrying out the provisions of this section, the Secretary of State is hereby authorized to enter into an executive agreement or agreements with any foreign government for the use of currencies, or credits for currencies, of such government held or available for expenditure by the United States or any agency [thereof (or)] *thereof including amounts received in repayment of principal or interest on any loan made under section 505 (b) of the Mutual Security Act of 1954, as amended (or deposited pursuant to agreements entered into pursuant to section 115 (b) (6) and 115 (h) of the Economic Cooperation Act of 1948, as amended), and not required by law or agreement with such government to be expended or used for any other purpose, for the purpose of providing, by the formation of foundations or otherwise, for (A) financing studies, research, instruction, and other educational activities of or for American citizens in schools and institutions of higher learning located in such foreign country, or of the citizens of such foreign country in American schools and institu-*

tions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or (B) furnishing transportation for citizens of such foreign country who desire to attend American schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, and whose attendance will not deprive citizens of the United States of an opportunity to attend such schools and institutions: *Provided, however,* That no such agreement or agreements shall provide for the use of an aggregate amount of the currencies, or credits for currencies, of any one country in excess of \$20,000,000 or for the expenditure of the currencies, or credits for currencies, of any one foreign country in excess of \$1,000,000 annually at the official rate of exchange for such currencies, unless otherwise authorized by Congress, nor shall any such agreement relate to any subject other than the use and expenditure of such currencies or credits for currencies for the purposes herein set forth: *Provided further,* That for the purpose of selecting students and educational institutions qualified to participate in this program, and to supervise the exchange program authorized herein, the President of the United States is hereby authorized to appoint a Board of Foreign Scholarships, consisting of ten members, who shall serve without compensation, composed of representatives of cultural, educational, student and war veterans groups, and including representatives of the United States Office of Education, the United States Veterans' Administration, State educational institutions, and privately endowed educational institutions: *And provided further,* That in the selection of American citizens for study in foreign countries under this paragraph preference shall be given to applicants who shall have served in the military or naval forces of the United States during World War I or World War II, and due consideration shall be given to applicants from all geographical areas of the United States. The Secretary of State shall transmit to the Congress not later than the 1st day of March of each year a report of operations under this paragraph during the preceding calendar year. Such report shall include the text of any agreements which have been entered into hereunder during the preceding calendar year, and shall specify the names and addresses of American citizens who are attending schools or institutions of higher learning in foreign countries pursuant to such agreements, the names and locations of such schools and institutions, and the amounts of the currencies or credits for currencies expended for any of the purposes under this paragraph in each such foreign country during the preceding calendar year.

#### SECTION 933 OF THE FOREIGN SERVICE ACT OF 1946 (22 U. S. C. 1148)

##### ORDERING RETURN OF PERSONNEL TO UNITED STATES ON LEAVES OF ABSENCE

SEC. 933. (a) The Secretary shall order to the continental United [States on] *States, its Territories and possessions*, on statutory leave of absence every officer and employee of the Service who is a citizen of the United States upon completion of two years' continuous service abroad or as soon as possible thereafter.



(b) While in the continental United [States on] *States, its Territories and possessions*, on leave, the service of any officer or employee shall be available for such work or duties in the Department or elsewhere as the Secretary may prescribe, but the time of such work or duties shall not be counted as leave.

# SECTION 1441 (c) OF THE INTERNAL REVENUE CODE OF 1954

## SEC. 1441. WITHHOLDING OF TAX ON NONRESIDENT ALIENS.

(a) \* \* \*

\* \* \* \* \*

(c) EXCEPTIONS.—

(1) DIVIDENDS OF FOREIGN CORPORATIONS.—No deduction or withholding under subsection (a) shall be required in the case of dividends paid by a foreign corporation unless (A) such corporation is engaged in trade or business within the United States, and (B) more than 85 percent of the gross income of such corporation for the 3-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such part of such period as the corporation has been in existence) was derived from sources within the United States as determined under part I of subchapter N of chapter 1.

(2) OWNER UNKNOWN.—The Secretary or his delegate may authorize the tax under subsection (a) to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

(3) BONDS WITH EXTENDED MATURITY DATES.—The deduction and withholding in the case of interest on bonds, mortgages, or deeds of trust or other similar obligations of a corporation, within subsections (a) (b), and (c) of section 1451 were it not for the fact that the maturity date of such obligations has been extended on or after January 1, 1934, and the liability assumed by the debtor exceeds 27½ percent of the interest, shall not exceed the rate of 27½ percent per annum.

(4) COMPENSATION OF CERTAIN ALIENS.—Under regulations prescribed by the Secretary or his delegate, there may be exempted from deduction and withholding under subsection (a) the compensation for personal services of nonresident alien individuals who enter and leave the United States at frequent intervals.

(5) SPECIAL ITEMS.—In the case of amounts described in section 402 (a) (2), section 631 (b) and (c), and section 1235, which are considered to be gains from the sale or exchange of capital assets, the amount required to be deducted and withheld shall, if the amount of such gain is not known to the withholding agent, be such amount, not exceeding 30 percent of the proceeds from such sale or exchange, as may be necessary to assure that the tax deducted and withheld shall not be less than 30 percent of such gain.

(6) *PER DIEM OF CERTAIN ALIENS.*—No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the United States Government

*(directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.*

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SECTION 1011 OF THE UNITED STATES INFORMATION AND EDUCATIONAL  
EXCHANGE ACT OF 1948, AS AMENDED (22 U. S. C. 1442)

INFORMATIONAL MEDIA GUARANTIES

SEC. 1011. (a) The Director of the United States Information Agency may make guaranties, in accordance with the provisions of subsection (b) of section 413 of the Mutual Security Act of 1954, of investments in enterprises producing or distributing informational media consistent with the national interests of the United States [against funds heretofore made available by notes issued to the Secretary of the Treasury pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, for purposes of guaranties of investments: *Provided, however,* That the amount of such guaranties in any fiscal year shall be determined by the President but shall not exceed \$10,000,000].

(b) *The Director is authorized to assume the obligation of not to exceed \$28,000,000 of the notes authorized to be issued pursuant to subsection 111 (c) (2) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (c) (2)), together with the interest accrued and unpaid thereon, and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.*

(c) *The Director is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413 (b) (4) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the Director less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).*

(d) *Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties. Such currencies shall be available, as may be provided for by the Congress in appropriation Acts, for use for educational, scientific, and cultural purposes which are in the national interest of the United States, and for such other purposes of mutual interest as may be agreed to by the governments of the United States and the country from which the currencies derive.*

(e) *Notwithstanding the provisions of subparagraph 413 (b) (4) (E) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and*



(2) *the Director may require the payment of a minimum charge of up to fifty dollars for issuance of guaranty contracts, or amendments thereto.*

(f) *The Director is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: Provided, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within nine months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.*

(g) *As soon as feasible after the enactment of this section, all assets, liabilities, income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that Act, shall be accounted for separately from other guaranties issued pursuant to subsection 413 (b) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b)): Provided, That there shall be transferred from the special account established pursuant to subsection (a) into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and used to make payments under informational media guaranties.*

AGRICULTURAL TRADE DEVELOPMENT ASSISTANCE ACT OF 1954  
(7 U. S. C. 1691 ET SEQ.)

TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)). *Not less than 5 per centum of the aggregate of the foreign currencies accruing under this title, including currencies received in repayments of loans under subsection (g) of this section (which 5 per centum shall not be computed separately for each purchasing country but for all such countries combined), shall be used for the purposes of this subsection. In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection in regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes.*

(i) *For financing the translation, publication, and distribution of books and periodicals, including Government publications, abroad: Provided, That not more than \$5,000,000 may be allocated for this purpose during any fiscal year.*

*Provided, however, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: Provided, however, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.*











Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

[Report No. 2273]

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IN THE SENATE OF THE UNITED STATES

JUNE 11, 1956

Read twice and referred to the Committee on Foreign Relations

JUNE 19, 1956

Reported by Mr. GEORGE, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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## AN ACT

To amend further the Mutual Security Act of 1954, as amended,  
and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Mutual Security Act of  
4        1956".

5        SEC. 2. Title I, chapter 1, of the Mutual Security Act  
6        of 1954, as amended, which relates to military assistance,  
7        is further amended as follows:

8        (a) In section 103 (a), which relates to authorizations,  
9        add the following new paragraph:

10        "(3) In addition, there is hereby authorized to be

1 appropriated to the President to carry out the purposes of  
 2 this chapter not to exceed \$1,925,000,000, of which not less  
 3 than \$48,000,000 shall be used to provide assistance to Spain  
 4 and not more than \$402,000,000 may be used to provide  
 5 assistance to other European countries, and which shall re-  
 6 main available until expended."

7 ~~(b)~~ In section 105, strike out subsections ~~(c)~~ and ~~(d)~~.

8 SEC. 3. Title I, chapter 3, of the Mutual Security Act  
 9 of 1954, as amended, which relates to defense support, is  
 10 further amended by substituting a semicolon for the period  
 11 after "Asia" in subsection ~~(c)~~ of section 131 and inserting  
 12 thereafter the following:

13 "and for the fiscal year 1957 not to exceed—

14 "~~(1)~~ \$63,700,000 for Europe ~~(excluding Greece~~  
 15 ~~and Turkey)~~;

16 "~~(2)~~ \$170,000,000 for the Near East ~~(including~~  
 17 ~~Greece and Turkey)~~ and Africa;

18 "~~(3)~~ \$882,000,000 for Asia; and

19 "~~(4)~~ \$37,000,000 for Latin America.

20 "Funds made available under paragraph ~~(4)~~ may be  
 21 used to furnish assistance designed to sustain and increase  
 22 military or internal defense efforts, and may be used without  
 23 regard to the requirements of sections 141 and 142 in the  
 24 case of any nation which is a party to the Inter-American  
 25 Treaty of Reciprocal Assistance and which has adhered to



1 the resolution of 1954 entitled 'Declaration of Solidarity  
2 for the Preservation of the Political Integrity of the Ameri-  
3 can States against the Intervention of International Com-  
4 munism'."

5 SEC. 4. Title I, chapter 4, of the Mutual Security Act  
6 of 1954, as amended, which contains general provisions relat-  
7 ing to mutual defense assistance, is amended by adding at  
8 the end thereof the following new section:

9 "SEC. 143. PROHIBITION OF ASSISTANCE TO YUGO-  
10 SLAVIA.—Notwithstanding any other provision of law, no  
11 assistance under this title or any other title of this Act, or  
12 under any provision of law repealed by section 542 (a) of  
13 this Act, shall be furnished to Yugoslavia after the date of  
14 the enactment of this section, unless the President finds (1)  
15 that there has been no change in the Yugoslavian policies  
16 on the basis of which assistance under this Act has been fur-  
17 nished to Yugoslavia in the past, and that Yugoslavia is  
18 independent of control by the Soviet Union, and (2) that  
19 it is in the interest of the national security of the United  
20 States to continue the furnishing of assistance to Yugoslavia  
21 under this Act."

22 SEC. 5. Title II of the Mutual Security Act of 1954,  
23 as amended, which relates to development assistance, is  
24 amended by striking out sections 201 and 202 and sub-  
25 stituting the following new section:

1       “SEC. 201. AUTHORIZATION.—(a) In addition to the  
2 funds heretofore appropriated pursuant to the provisions of  
3 sections 201 and 418 of this Act as in effect prior to the  
4 enactment of the Mutual Security Act of 1956, which  
5 funds shall remain available for their original purposes in  
6 accordance with the provisions of law originally applicable  
7 thereto, there is hereby authorized to be appropriated to the  
8 President not to exceed \$243,000,000, to remain available  
9 until June 30, 1960, for assistance designed to promote the  
10 economic development of free Asia, the Middle East, and  
11 Africa, based on self-help and mutual cooperation of friendly  
12 nations, and to maintain economic and political stability in  
13 these areas.

14       “(b) The President is authorized to utilize the funds  
15 hereafter made available for purposes of this title to ac-  
16 complish in these areas policies and purposes declared in  
17 this Act, and to disburse them on such terms and condi-  
18 tions, including transfer of funds, as he may specify: *Pro-*  
19 *vided*, That such assistance shall only be available on terms  
20 of repayment, except (1) when such funds are used to  
21 finance sales of surplus agricultural commodities under sec-  
22 tion 402, or (2) when granted for the purpose of a regional  
23 project involving two or more beneficiary nations: *And*  
24 *provided further*, That not more than 25 per centum of any  
25 funds hereafter made available for purposes of this title shall



1 be used in furnishing assistance to any one nation (including  
2 bilateral assistance furnished to such nation as well as such  
3 nation's proportionate share of assistance furnished for re-  
4 gional projects in which it is involved).

5 “(c) To be eligible for bilateral assistance from funds  
6 hereafter made available for purposes of this title, a nation  
7 shall have entered into a written agreement, satisfactory  
8 to the President, to permit participation by private enter-  
9 prise in the accomplishment of any of the purposes of this  
10 Act in conformance with the provisions of section 413, which  
11 relates to encouragement of free enterprise and private  
12 participation.

13 “(d) Funds made available under this title may be  
14 used for expenses (other than those provided for under  
15 section 411 (c) of this Act) to assist in carrying out func-  
16 tions under the Agricultural Trade Development and Assist-  
17 ance Act of 1954, as amended (7 U. S. C. 1691 and the  
18 following), delegated or assigned to any agency or officer  
19 administering nonmilitary assistance.”

20 SEC. 6. Title III of the Mutual Security Act of 1954,  
21 as amended, which relates to technical cooperation, is further  
22 amended as follows:

23 (a) In section 304 (b), which relates to authorization,  
24 after “\$146,500,000”, insert “, and for the fiscal year 1957  
25 not to exceed \$140,500,000,”.

1       ~~(b)~~ In section 306, which relates to multilateral tech-  
2       nical cooperation:

3       ~~(1)~~ In subsection ~~(a)~~, which relates to contributions  
4       to the United Nations Expanded Program of Technical As-  
5       sistance, strike out all following "1956" and substitute "and  
6       \$15,500,000 for the fiscal year 1957, for such contribu-  
7       tions;"

8       ~~(2)~~ In subsection ~~(b)~~, which relates to contributions  
9       to the technical cooperation programs of the Organization of  
10      American States, strike out all following "1956" and substi-  
11      tute "and \$1,500,000 for the fiscal year 1957, for such  
12      contributions."

13      ~~(c)~~ In section 307, which relates to advances, grants,  
14      and contracts, strike out all following "Congress," in the last  
15      sentence thereof and substitute "extend at any time for not  
16      more than three years."

17      ~~(d)~~ Add the following new section:

18      "SEC. 309. STUDY OF TECHNICAL COOPERATION PRO-  
19      GRAM.—It is the sense of the Congress that there be made,  
20      under the direction of the President, an analysis and study  
21      of the methods or mechanisms whereby the technical co-  
22      operation program can be established on a long-term basis,  
23      in view of its basic objectives and purposes, separated from  
24      other programs authorized by or pursuant to the Mutual  
25      Security Act, as amended, including the preparation of draft



1 proposals for legislation to establish such program under the  
 2 administration of a new independent agency or Government  
 3 corporation.”

4 SEC. 7. Title IV of the Mutual Security Act of 1954, as  
 5 amended, which relates to other programs, is further amended  
 6 as follows:

7 (a) Amend section 401, which relates to special fund,  
 8 as follows:

9 (1) In the first sentence of subsection (a), strike out  
 10 “\$50,000,000” and substitute “\$150,000,000”; and in the  
 11 last sentence of such subsection strike out “\$20,000,000”  
 12 and substitute “\$30,000,000”.

13 (2) In subsection (b), after “\$100,000,000”, insert  
 14 “, and for the fiscal year 1957 not to exceed \$100,000,000,”.

15 (b) In section 402, which relates to earmarking of  
 16 funds, after “\$300,000,000”, insert “, and of the funds so  
 17 authorized for the fiscal year 1957 not less than  
 18 \$250,000,000,”.

19 (c) In section 403 (b), which relates to special assist-  
 20 ance in joint control areas, after “\$21,000,000”, insert “,  
 21 and for the fiscal year 1957 not to exceed \$12,200,000,”.

22 (d) Amend section 405 which relates to migrants,  
 23 refugees, and escapees, as follows:

24 (1) In subsection (c) after “\$1,400,000”, insert “, and  
 25 for the fiscal year 1957 not to exceed \$2,300,000,”.

1       ~~(2)~~ In subsection ~~(d)~~, after “\$6,000,000”, insert “,  
2 and for the fiscal year 1957 not to exceed \$7,000,000,”.

3       ~~(e)~~ In section 406 ~~(b)~~, which relates to children’s wel-  
4 fare, after “\$14,500,000”, insert “, and for the fiscal year  
5 1957 not to exceed “\$10,000,000,”.

6       ~~(f)~~ In section 407 ~~(b)~~ which relates to Palestine ref-  
7 ugees in the Near East, strike out “for the fiscal year 1956”.

8       ~~(g)~~ Amend section 409, which relates to ocean freight  
9 charges, as follows:

10       ~~(1)~~ In subsection ~~(e)~~, after “\$2,000,000” in the last  
11 sentence thereof, insert “, and for the fiscal year 1957 not  
12 to exceed \$1,400,000,”.

13       ~~(2)~~ In subsection ~~(d)~~, after “\$13,000,000” in the first  
14 sentence thereof, insert “, and for the fiscal year 1957 not  
15 to exceed \$14,000,000,”.

16       ~~(h)~~ In section 410, which relates to Control Act ex-  
17 penses, after “\$1,175,000,” in the first sentence thereof, in-  
18 sert “and for the fiscal year 1957 not to exceed  
19 \$1,175,000,”.

20       ~~(i)~~ Amend section 411, which relates to administra-  
21 tive and other expenses, as follows:

22       ~~(1)~~ In subsection ~~(b)~~, strike out all that follows “\$35,-  
23 225,000,” and insert “and for the fiscal year 1957 not to  
24 exceed \$35,250,000, for necessary administrative expenses



1 incident to carrying out the provisions of this Act (other  
2 than chapter 1 of title I and section 124).”

3 ~~(2)~~ Redesignate subsection “(e)” as subsection “(e)”,  
4 and insert after subsection ~~(b)~~ the following new sub-  
5 sections:

6 “(e) Not to exceed \$1,500,000 of funds made available  
7 under title II may be transferred in the fiscal year 1957  
8 for necessary administrative expenses not otherwise pro-  
9 vided for incident to carrying out functions under the Agri-  
10 cultural Trade Development and Assistance Act of 1954, as  
11 amended ~~(7 U. S. C. 1691 and the following)~~, delegated  
12 or assigned to any agency or officer administering nonmili-  
13 tary assistance, and the amounts so transferred shall be con-  
14 solidated with funds made available pursuant to this section  
15 for said fiscal year.

16 “(d) There are authorized to be appropriated to the  
17 Department of State such amounts as may be necessary  
18 from time to time for administrative expenses which are in-  
19 curred for normal functions of the Department which relate  
20 to functions under this Act.”

21 ~~(j)~~ In section 413 ~~(b)~~ ~~(2)~~ after “to encourage and  
22 facilitate the flow of private investment to”, insert “, and its  
23 equitable treatment in,”

24 ~~(k)~~ Amend section 413 ~~(b)~~ ~~(4)~~ as follows:

1       ~~(1)~~ After “may make”, insert “, through the Interna-  
2 tional Cooperation Administration”.

3       ~~(2)~~ Substitute “June 30, 1967” for “June 30, 1957”.

4       ~~(3)~~ In subparagraph ~~(B)~~ ~~(ii)~~, before the semicolon  
5 at the end thereof, insert “or by reason of war, revolution,  
6 or insurrection”.

7       ~~(4)~~ Amend subparagraph ~~(F)~~ to read as follows:

8           ~~“(F) the President is authorized to issue guaranties~~  
9       up to a total face value of \$500,000,000 exclusive of  
10       informational media guaranties heretofore and hereafter  
11       issued pursuant to section ~~1011~~ of the Act of January  
12       27, 1948, as amended ~~(22 U. S. C. 1442)~~, and section  
13       ~~111 (b) (3)~~ of the Economic Cooperation Act of 1948,  
14       as amended ~~(22 U. S. C. 1509 (b) (3))~~: *Provided*,  
15       That any funds allocated to a guaranty and remaining  
16       after all liability of the United States assumed in con-  
17       nection therewith has been released, discharged, or  
18       otherwise terminated, and funds realized after June 30,  
19       1955, from the sale of currencies or other assets acquired  
20       pursuant to subparagraph ~~(C)~~ shall be available for  
21       allocation to other guaranties, and the foregoing limi-  
22       tation shall be increased to the extent that such funds  
23       become available. Any payments made to discharge  
24       liabilities under guaranties issued under this paragraph  
25       shall be paid out of fees collected under subparagraph



~~(E)~~ as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph ~~(C)~~ and notes which have been issued under authority of paragraph 111 ~~(c)~~ ~~(2)~~ of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: *Provided*, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 ~~(31 U. S. C. 665)~~ and 3732 ~~(41 U. S. C. 11)~~ of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: *Provided further*, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended ~~(22 U. S. C. 1442)~~, and section 111 ~~(b)~~ ~~(3)~~ of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value

1 of said guaranties. For the purpose of this paragraph  
 2 the Director of the International Cooperation Admin-  
 3 istration is authorized to issue notes (in addition to  
 4 the notes heretofore issued pursuant to paragraph 111  
 5 ~~(e) (2)~~ of the Economic Cooperation Act of 1948,  
 6 as amended) in an amount not to exceed \$37,500,000,  
 7 and on the same terms and conditions applicable to notes  
 8 issued pursuant to said paragraph 111 ~~(e) (2)~~."

9 ~~(1)~~ Amended section 415, which relates to assistance to  
 10 international organization, as follows:

11 ~~(1)~~ Change "ORGANIZATION" in the title to "ORGAN-  
 12 IZATIONS".

13 ~~(2)~~ After "the North Atlantic Treaty Organization",  
 14 insert "and the Organization for European Economic Cooper-  
 15 ation".

16 ~~(m)~~ Repeal section 418, which relates to President's  
 17 Fund for Asian Economic Development.

18 ~~(n)~~ Add the following new section:

19 "SEC. 420. FOOD AND AGRICULTURE ORGANIZA-  
 20 TION.—Public Law 174, Seventy-ninth Congress, as  
 21 amended by section 1 ~~(b)~~ of Public Law 806, Eighty-first  
 22 Congress, is hereby further amended by striking out the  
 23 figure '\$2,000,000' in section 2 thereof and inserting in lieu  
 24 thereof the figure '\$3,000,000'."

25 SEC. 8. The Mutual Security Act of 1954, as amended,



1 is further amended by inserting immediately after the first  
2 section thereof and before title I the following new section:

3       “SEC. 2. STATEMENT OF POLICY.—The Congress of  
4 the United States, recognizing that the peace of the world  
5 and the security of the United States are endangered as long  
6 as international communism and the nations it controls con-  
7 tinue by threat of military action, use of economic pressure,  
8 internal subversion, or other means to attempt to bring under  
9 their domination peoples now free and independent and con-  
10 tinue to deny the rights of freedom and self-government to  
11 peoples and nations once free but now subject to such  
12 domination, declares it to be the policy of the United States  
13 to continue as long as such danger to the peace of the world  
14 and to the security of the United States persists to make  
15 available to free nations and peoples upon request assistance  
16 of such nature and in such amounts as the United States is  
17 able to provide compatible with its own stability, strength,  
18 and other obligations, and as may be needed and effectively  
19 used by such free nations and peoples to help them maintain  
20 their freedom.”

21       SEC. 9. Title V, chapter 1, of the Mutual Security Act  
22 of 1954, as amended, which relates to general provisions, is  
23 further amended as follows:

24       (a) In section 501, which relates to transferability of

1 funds, strike out the last two sentences and insert in lieu  
 2 thereof the following: "Any funds transferred under this sec-  
 3 tion for the purpose of furnishing assistance under section  
 4 201 shall be available only for furnishing assistance on terms  
 5 of repayment in accordance with section 505, for furnish-  
 6 ing surplus agricultural commodities under section 402, or  
 7 for making grants for regional projects involving two or  
 8 more beneficiary nations."

9 (b) In section 507, which relates to availability of  
 10 funds, after "students)," insert "and other provisions of this  
 11 Act,".

12 (c) In section 509, which relates to shipping on United  
 13 States vessels, after "this Act" in the last sentence thereof,  
 14 insert "or the Agricultural Trade Development and Assist-  
 15 ance Act of 1954, as amended (7 U. S. C. 1691 and the  
 16 following),".

17 SEC. 10. Title V, chapter 2, of the Mutual Security Act  
 18 of 1954, as amended, which relates to organization and  
 19 administration, is further amended as follows:

20 (a) In section 521, which relates to delegation of author-  
 21 ity by the President, after "subsection (b)" in subsection  
 22 (a), insert "and section 413 (b) (4)".

23 (b) Amend section 522, which relates to allocation and  
 24 reimbursement among agencies, as follows:



(1) Add the following at the end of subsection (b):

“The Administrator of General Services is authorized to maintain in a separate consolidated account, which shall be free from fiscal year limitations, payments received by the General Services Administration for administrative surcharges in connection with procurement services performed by the General Services Administration in furtherance of the purposes of this Act. Such payments shall be in amounts mutually acceptable to the General Services Administration and the agency administering nonmilitary assistance, and these amounts shall be available for administrative expenses incurred by the General Services Administration in performing such procurement services.”

(2) Add the following new subsection:

“(f) Any appropriation made to carry out the provisions of this Act may initially be charged, within the limits of available funds, to finance expenses for which funds are available in other appropriations made under this Act: *Provided*, That as of the end of the same fiscal year such expenses shall be finally charged to applicable appropriations with proper credit to the appropriations initially utilized for financing purposes.”

(e) In section 530, which relates to experts and consultants or organizations thereof, insert before the period

1 at the end of subsection (a) the following: “: *Provided*,  
2 That contracts for such employment with such organizations  
3 may be renewed annually”.

4 (d) In section 532, which relates to exemption of per-  
5 sonnel from certain Federal laws, add the following at the  
6 end of subsection (a): “Contracts for the employment of  
7 retired military personnel as experts or consultants under  
8 section 530 (a) may be renewed annually, notwithstanding  
9 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).”

10 (e) Amend section 535, which relates to cooperation  
11 with international organizations, as follows:

12 (1) Insert “NATIONS AND” after “WITH” in the  
13 title.

14 (2) Amend subsection (b) to read as follows:

15 “(b) Whenever the President determines it to be in fur-  
16 therance of the purposes of this Act, United States Govern-  
17 ment agencies, on request of international organizations, are  
18 authorized to furnish supplies, materials, and services, and on  
19 request of nations, are authorized to furnish nonmilitary sup-  
20 plies, materials, and services, to such organizations and na-  
21 tions on an advance of funds or reimbursement basis. Such  
22 advances, or reimbursements which are received under this  
23 subsection without one hundred eighty days after the close of  
24 the fiscal year in which such supplies, materials, and services  
25 are delivered, may be credited to the current applicable ap-



1 appropriation or fund of the agency concerned and shall be  
 2 available for the purposes for which such appropriations and  
 3 funds are authorized to be used."

4 (f) Add the following new section:

5 "SEC. 537. PROVISIONS ON USES OF FUNDS.—

6 "(a) Appropriations for the purposes of this Act (except  
 7 for chapter 1 of title I and section 124), allocations to any  
 8 United States Government agency, from other appropria-  
 9 tions, for functions directly related to the purposes of this  
 10 Act, and funds made available for other purposes to any  
 11 agency administering nonmilitary assistance, shall, except as  
 12 may subsequently be otherwise provided by law, be available  
 13 for the purposes specified in section 102 of the Mutual Secu-  
 14 rity Appropriation Act, 1956 (subject each fiscal year to the  
 15 limitations on the amounts of funds which can be used for  
 16 such purposes), in section 2 of Public Law 495, Eighty-third  
 17 Congress (with respect to the remains of persons or members  
 18 of the families of persons who may die while away from their  
 19 homes participating in activities under this Act or other Acts  
 20 directly related to the purposes of this Act), and in section  
 21 902 of the Foreign Service Act of 1946, as amended (with  
 22 respect to chiefs of mission appointed pursuant to section  
 23 526 of this Act), and for the purchase of passenger motor  
 24 vehicles: *Provided*, That passenger motor vehicles for

1 administrative purposes may be purchased only as specified  
 2 in section 102 of the Mutual Security Appropriation Act,  
 3 1956, or as specifically otherwise provided by law.

4 “(b) United States Government agencies are authorized  
 5 to pay the costs of health and accident insurance for foreign  
 6 participants in any exchange of persons program or any  
 7 program of furnishing technical information and assistance  
 8 administered by any such agency while such participants  
 9 are en route or absent from their homes for purposes of  
 10 participation in any such program.”

11 SEC. 11. Title V, chapter 3, of the Mutual Security  
 12 Act of 1954, as amended, which relates to repeal and mis-  
 13 cellaneous provisions, is further amended as follows:

14 (a) Amend section 544, which relates to amendments  
 15 to other laws, by adding the following new subsections:

16 “(c) In section 4 of the Act of May 26, 1949 (63  
 17 Stat. 111, 5 U. S. C. 151e), insert after the words ‘such  
 18 functions’ the following: ‘, including if he shall so specify  
 19 the authority successively to redelegate any of such func-  
 20 tions.’

21 “(d) In the first sentence of section 32 (b) (2) of the  
 22 Surplus Property Act of 1944, as amended (50 U. S. C.  
 23 App. 1641 (b) (2)), after ‘any agency thereof’, insert  
 24 ‘including amounts received in repayment of principal or



1 interest on any loan made under section 505 (b) of the  
2 Mutual Security Act of 1954, as amended.

3 “(e) Section 933 of the Foreign Service Act of 1946,  
4 as amended (22 U. S. C. 1148), is hereby amended by  
5 inserting after ‘continental United States’ where it appears  
6 in both subsection (a) and subsection (b) of that section  
7 ‘, its Territories and possessions,’.

8 “(f) Section 1441 (e) of the Internal Revenue Code  
9 of 1954 is hereby amended by inserting after paragraph (5)  
10 the following new paragraph:

11 “‘(6) PER DIEM OF CERTAIN ALIENS.—No deduc-  
12 tion or withholding under subsection (a) shall be re-  
13 quired in the case of amounts of per diem for subsistence  
14 paid by the United States Government (directly or by  
15 contract) to any non-resident alien individual who is  
16 engaged in any program of training in the United States  
17 under the Mutual Security Act of 1954, as amended.’

18 “(g) Section 1011 of the United States Information and  
19 Educational Exchange Act of 1948, as amended (22 U. S. C.  
20 1442), is amended by inserting ‘(a)’ before ‘The Director’,  
21 by deleting everything after the words ‘national interests  
22 of the United States’, by inserting a period at that point,  
23 and by inserting the following new subsections:

24 “‘(b) The Director is authorized to assume the obliga-  
25 tion of not to exceed \$28,000,000 of the notes authorized

1 to be issued pursuant to subsection 111 ~~(c) (2)~~ of the  
2 Economic Cooperation Act of 1948, as amended ~~(22~~  
3 U. S. C. 1509 ~~(c) (2))~~, together with the interest accrued  
4 and unpaid thereon, and to obtain advances from time to  
5 time from the Secretary of the Treasury up to such amount,  
6 less amounts previously advanced on such notes, as provided  
7 for in said notes. Such advances shall be deposited in a  
8 special account in the Treasury available for payments  
9 under informational media guaranties.

10 “~~“(c)~~ The Director is authorized to make informational  
11 media guaranties without regard to the limitations of time  
12 contained in subsection 413 ~~(b) (4)~~ of the Mutual Se-  
13 curity Act of 1954, as amended ~~(22 U. S. C. 1933 (b)~~  
14 ~~(4))~~, but the total of such guaranties outstanding at any  
15 one time shall not exceed the sum of the face amount of  
16 the notes assumed by the Director less the amounts pre-  
17 viously advanced on such notes by the Secretary of the  
18 Treasury plus the amount of the funds in the special account  
19 referred to in subsection ~~(b)~~.

20 “~~“(d)~~ Foreign currencies available after June 30, 1955,  
21 from conversions made pursuant to the obligation of infor-  
22 mational media guaranties may be sold, in accordance with  
23 Treasury Department regulations, for dollars which shall be  
24 deposited in the special account and shall be available for  
25 payments under new guaranties.



1       “ ~~“(c)~~ Notwithstanding the provisions of subparagraph  
 2   413 ~~“(b) (4) (E)~~ of the Mutual Security Act of 1954, as  
 3   amended ~~“(22 U. S. C. 1933 (b) (4) (E))~~, ~~“(1)~~ fees  
 4   collected for the issuance of informational media guaranties;  
 5   shall be deposited in the special account and shall be avail-  
 6   able for payments under informational media guaranties;  
 7   and ~~“(2)~~ the Director may require the payment of a mini-  
 8   mum charge of up to fifty dollars for issuance of guaranty  
 9   contracts, or amendments thereto.

10       “ ~~“(f)~~ The Director is further authorized under such  
 11   terms as he may prescribe, to make advance payments  
 12   under informational media guaranties: *Provided*, That cur-  
 13   rencies receivable from holders of such guaranties on account  
 14   of such advance payments shall be paid to the United  
 15   States within nine months from the date of the advance  
 16   payment and that appropriate security to assure such pay-  
 17   ments is required before any advance payment is made.

18       “ ~~“(g)~~ As soon as feasible after the enactment of this  
 19   subsection, all assets, liabilities, income, expenses, and charges  
 20   of whatever kind pertaining to informational media guar-  
 21   anties, including any charges against the authority to issue  
 22   notes provided in section 111 ~~“(c) (2)~~ of the Economic  
 23   Cooperation Act of 1948, as amended, cumulative from the  
 24   enactment of that Act, shall be accounted for separately from  
 25   other guaranties issued pursuant to subsection 413 ~~“(b)~~ of

1 the Mutual Security Act of 1954, as amended (~~22 U. S. C.~~  
 2 ~~1933 (b)~~): *Provided*, That there shall be transferred from  
 3 the special account established pursuant to subsection ~~(a)~~,  
 4 into the account available for payments under guaranties  
 5 other than informational media guaranties, an amount equal  
 6 to the total of the fees received for the issuance of guar-  
 7 anties other than informational media guaranties, and used  
 8 to make payments under informational media guaranties.' "

9 ~~(b)~~ Amend section 545, which relates to definitions, as  
 10 follows:

11 ~~(1)~~ Add at the end of subsection ~~(h)~~ the following:  
 12 "Notwithstanding the foregoing provisions of this subsection  
 13 ~~(h)~~ and for the purpose of establishing a more equitable  
 14 pricing system for transactions between the military depart-  
 15 ments and the Mutual Defense Assistance Program, the  
 16 Secretary of Defense shall prescribe at the earliest practicable  
 17 date, through appropriate pricing regulations of uniform ap-  
 18 plicability, the term 'value' (except in the case of excess  
 19 equipment or materials) shall mean—

20 " ~~(1)~~ the price of equipment or materials obtaining  
 21 for similar transactions between the Armed Forces  
 22 the United States; or

23 " ~~(2)~~ where there are no similar transactions within  
 24 the meaning of paragraph ~~(1)~~, the gross cost to the



United States adjusted as appropriate for condition and market value."

(2) Add the following new subsections:

"(j) The term 'agency administering nonmilitary assistance' shall refer to any agency to which authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 524 and 525 of this Act.

"(k) The term 'officer administering nonmilitary assistance' shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 524 and 525 of this Act."

(e) In section 548, which relates to unexpended balances, strike out "heretofore", substitute "1957" for "1956", and strike out the colon and the remainder of the sentence following "Act" the second time it appears and insert a period.

(d) Add the following new section:

SEC. 550. SPECIAL PROVISION ON AVAILABILITY OF FUNDS.—An amount equal to 25 per centum of the funds authorized to be appropriated for any fiscal year for purposes of chapter 3 of title I, title III, or section 403 of this Act is authorized to be continued available for three months

1 beyond the end of the fiscal year for which appropriated.”

2 FOREIGN RESEARCH REACTOR PROJECTS

3 SEC. 12. (a) *As one means of furthering peaceful uses*  
4 *of atomic energy on an international basis, there is hereby*  
5 *authorized to be appropriated to the President for the fiscal*  
6 *year 1957 not to exceed \$5,950,000 for use by the Presi-*  
7 *dent, on such terms and conditions as he may specify, for*  
8 *research reactor projects undertaken or authorized by foreign*  
9 *governments which shall have entered into agreements for*  
10 *cooperation with the Government of the United States con-*  
11 *cerning the peaceful uses of atomic energy.*

12 (b) Nothing in this section shall alter, amend, revoke,  
13 repeal, or otherwise affect the provisions of the Atomic  
14 Energy Act of 1954.

15 (c) The United States share of the cost of any reactor  
16 made available to another government or to other govern-  
17 ments shall not exceed \$350,000.

18 (d) In carrying out the purposes of this section the  
19 Director, the Atomic Energy Commission, and other United  
20 States departments and agencies shall give full and con-  
21 tinuous publicity through the press, radio, and all other  
22 available media, so as to inform the peoples of the partici-  
23 pating countries regarding the assistance, including its  
24 purpose, source, and character, furnished by the United  
25 States. Such portions of the equipment furnished under



1 this section as may be appropriately die-stamped as a  
2 product of the United States shall be so stamped.

3 That this Act may be cited as the "Mutual Security Act of  
4 1956".

5 SEC. 2. The Mutual Security Act of 1954, as amended,  
6 is further amended by redesignating section 549, a statement  
7 of Congressional policy, as section 2, by inserting it im-  
8 mediately after the first section of the Act and before title I,  
9 and by amending it to read as follows:

10 "SEC. 2. STATEMENT OF POLICY.—(a) The Congress  
11 of the United States recognizes that the peace of the world  
12 and the security of the United States are endangered as  
13 long as international communism and the nations it controls  
14 continue by threat of military action, use of economic pres-  
15 sure, internal subversion, or other means, to attempt to bring  
16 under their domination peoples now free and independent,  
17 and continue to deny the rights of freedom and self-govern-  
18 ment to peoples and nations once free but now subject to such  
19 domination. The Congress therefore declares it to be the pol-  
20 icy of the United States to continue, as long as such danger  
21 persists, to make available to free nations and peoples upon re-  
22 quest assistance of such nature and in such amounts as the  
23 United States deems advisable compatible with its own stability,

1 strength, and other obligations, and as may be needed and  
2 effectively used by such free nations and peoples to help them  
3 maintain their freedom.

4 “(b) It is the sense of the Congress that inasmuch as—

5 “(1) the United States, through mutual security pro-  
6 grams, has made substantial contributions to the eco-  
7 nomic recovery and rehabilitation of the nations of  
8 Western Europe;

9 “(2) due in part to those programs, it has been pos-  
10 sible for such nations to achieve complete economic re-  
11 covery and to regain their military strength; and

12 “(3) certain other friendly nations of the world re-  
13 main in need of assistance in order that they may defend  
14 themselves against aggression and contribute to the secur-  
15 ity of the free world,

16 those nations that have been assisted in their recovery should,  
17 in the future, share with the United States to a greater  
18 extent the financial burden of providing aid to those coun-  
19 tries which are still in need of assistance of the type provided  
20 under this Act.

21 “(c) It is the sense of the Congress that assistance under  
22 this Act shall be administered so as to assist other peoples in  
23 their efforts to achieve self-government or independence under  
24 circumstances which will enable them to assume an equal



1 station among the free nations of the world and to fulfill  
2 their responsibilities for self-government or independence.

3 “(d) It is the sense of the Congress that assistance fur-  
4 nished out of funds hereafter made available for aid to the  
5 newly independent states in Africa should be furnished in the  
6 same manner as in the case of other independent states.”

7 SEC. 3. Title I, chapter 1, of the Mutual Security Act  
8 of 1954, as amended, which relates to military assistance,  
9 is further amended as follows:

10 (a) In section 103 (a), which relates to authorizations,  
11 add the following new paragraphs:

12 “(3) There is hereby authorized to be appropriated to  
13 the President to carry out the purposes of this chapter not to  
14 exceed \$925,000,000 which shall remain available until  
15 expended.

16 “(4) In addition to the authorization in paragraph (3)  
17 of this subsection, there is hereby authorized to be appro-  
18 priated to the President not to exceed \$1,600,000,000 to  
19 remain available until expended and to be used only for the  
20 purpose of purchasing equipment and materials for the  
21 Armed Forces of the United States, in replacement for  
22 equipment and materials of a corresponding value which  
23 the Secretary of Defense is hereby authorized to furnish  
24 from Department of Defense stocks in accordance with the

1 terms of this Act applicable to military assistance and within  
 2 the limits of appropriations made pursuant to this authoriza-  
 3 tion. In the discretion of the Secretary of Defense, the De-  
 4 partment of Defense may use such appropriations for re-  
 5 placement in advance of delivery of such equipment and  
 6 materials in the possession of the Department of Defense  
 7 or may incur, in applicable appropriations, obligations in  
 8 anticipation of reimbursement from such appropriations for  
 9 replacement.”

10 (b) In section 105 strike out subsections (c) and (d),  
 11 and strike out the reference to subsection (d) in section 513.

12 SEC. 4. Title I, chapter 3, of the Mutual Security Act  
 13 of 1954, as amended, which relates to defense support, is  
 14 further amended by substituting a semicolon for the period  
 15 after “Asia” in subsection (c) of section 131 and inserting  
 16 thereafter the following:

17 “and for the fiscal year 1957 not to exceed—

18 “(1) \$78,700,000 for Europe (excluding Greece  
 19 and Turkey);

20 “(2) \$170,000,000 for the Near East (including  
 21 Greece and Turkey) and Africa;

22 “(3) \$882,000,000 for Asia; and

23 “(4) \$37,000,000 for Latin America.

24 “Funds made available under paragraph (4) may be  
 25 used to furnish assistance designed to sustain and increase



1 military effort or political or economic stability, and may be  
2 used without regard to the requirements of sections 141 and  
3 142 in the case of any nation which is a party to the Inter-  
4 American Treaty of Reciprocal Assistance and which has  
5 adhered to the resolution of 1954 entitled 'Declaration of  
6 Solidarity for the Preservation of the Political Integrity of  
7 the American States against the Intervention of International  
8 Communism'."

9 SEC. 5. Title I, chapter 4, of the Mutual Security Act of  
10 1954, as amended, which contains general provisions relat-  
11 ing to mutual defense assistance, is amended by adding at  
12 the end thereof the following new section:

13 "SEC. 143. Notwithstanding any other provision of  
14 law, no assistance under this title or any other title of this  
15 Act, or under any provision of law repealed by section 542  
16 (a) of this Act, shall be furnished to Yugoslavia after the  
17 expiration of ninety days following the date of the enact-  
18 ment of this section, unless the President finds (1) that  
19 there has been no change in the Yugoslavian policies on the  
20 basis of which assistance under this Act has been furnished  
21 to Yugoslavia in the past, and that Yugoslavia is independ-  
22 ent of control by the Soviet Union, and (2) that it is in  
23 the interest of the national security of the United States to  
24 continue the furnishing of assistance to Yugoslavia under  
25 this Act."

1        *SEC. 6. For the purpose of authorizing appropriations*  
2        *totaling \$243,000,000 for programs covered by this section,*  
3        *and for other purposes, the Mutual Security Act of 1954, as*  
4        *amended, is further amended as follows:*

5        *(a) Amend title II, which relates to development assist-*  
6        *ance, as follows:*

7        *(1) Add in section 201 the following new subsections:*

8        *“(d) There is hereby authorized to be appropriated to*  
9        *the President for the fiscal year 1957 not to exceed \$63,000,-*  
10       *000 and \$80,000,000 to furnish assistance under paragraphs*  
11       *(1) and (2), respectively, of subsection (a) of this section.*

12       *“(e) Funds made available under this title may be used for*  
13       *expenses (other than those provided for under section 411 (c)*  
14       *of this Act) to assist in carrying out functions under the*  
15       *Agricultural Trade Development and Assistance Act of 1954,*  
16       *as amended (7 U. S. C. 1691 and the following) delegated*  
17       *or assigned to any agency or officer administering nonmilitary*  
18       *assistance.”*

19       *(2) Add the following new section:*

20       *“SEC. 203. REQUIREMENT REGARDING FURNISHING*  
21       *ASSISTANCE ON TERMS OF REPAYMENT.—Seventy-five*  
22       *per centum of the assistance furnished from funds made avail-*  
23       *able after the date of enactment of the Mutual Security Act*  
24       *of 1956 under this title or under section 420 may be pro-*  
25       *vided only on terms of repayment, except (1) when such*



1 funds are used to finance sales of surplus agricultural com-  
2 modities under section 402, or (2) when granted for the  
3 purpose of a regional project involving two or more benefi-  
4 ciary nations.”

5 (b) In title IV, which relates to other programs, add the  
6 following new section:

7 “SEC. 420. SPECIAL AUTHORIZATION FOR THE MID-  
8 DLE EAST AND AFRICA.—There is hereby authorized to be  
9 appropriated to the President for the fiscal year 1957 not to  
10 exceed \$100,000,000 for assistance in the general area of  
11 the Middle East and Africa in accordance with provisions  
12 of this Act applicable to the furnishing of assistance under  
13 chapter 3 of title I, title II, title III, or section 407.”

14 SEC. 7. Title III of the Mutual Security Act of 1954,  
15 as amended, which relates to technical cooperation, is further  
16 amended as follows:

17 (a) In section 304 (b), which relates to authorization,  
18 after “\$146,500,000”, insert “, and for the fiscal year 1957  
19 not to exceed \$140,500,000,”.

20 (b) In section 306, which relates to multilateral tech-  
21 nical cooperation:

22 (1) In subsection (a), which relates to contributions  
23 to the United Nations Expanded Program of Technical As-  
24 sistance, strike out all following “1956” and substitute “, and  
25 \$15,500,000 for the fiscal year 1957, for such contributions;”.

1       (2) In subsection (b), which relates to contributions  
2 to the technical cooperation programs of the Organization of  
3 American States, strike out all following "1956" and substi-  
4 tute ", and \$1,500,000 for the fiscal year 1957, for such  
5 contributions."

6       (c) In section 307, which relates to advances, grants,  
7 and contracts, strike out all following "Congress," in the last  
8 sentence thereof and substitute "extend at any time for not  
9 more than three years."

10       SEC. 8. Title IV of the Mutual Security Act of 1954, as  
11 amended, which relates to other programs, is further  
12 amended as follows:

13       (a) Amend section 401, which relates to special fund,  
14 as follows:

15       (1) In the first sentence of subsection (a), strike out  
16 "\$50,000,000" and substitute "\$150,000,000"; and in the  
17 last sentence of such subsection strike out "\$20,000,000"  
18 and substitute "\$30,000,000".

19       (2) In the second sentence of subsection (a), strike out  
20 the words "and Austria".

21       (3) In subsection (b), after "\$100,000,000", insert  
22 ", and for the fiscal year 1957 not to exceed \$100,000,000,".

23       (b) In section 402, which relates to earmarking of



1 funds, after “\$300,000,000”, insert “, and of the funds so  
2 authorized for the fiscal year 1957 not less than  
3 \$250,000,000,”.

4 (c) In section 403 (b), which relates to special assist-  
5 ance in joint control areas, after “\$21,000,000”, insert “,  
6 and for the fiscal year 1957 not to exceed \$12,200,000,”.

7 (d) Amend section 405, which relates to migrants,  
8 refugees, and escapees, as follows:

9 (1) In subsection (c), after “\$1,400,000”, insert “, and  
10 for the fiscal year 1957 not to exceed \$2,300,000,”.

11 (2) In subsection (d), after “\$6,000,000”, insert “,  
12 and for the fiscal year 1957 not to exceed \$7,000,000,”.

13 (e) In section 406 (b), which relates to children’s wel-  
14 fare, after “\$14,500,000”, insert “, and for the fiscal year  
15 1957 not to exceed \$10,000,000,”.

16 (f) In section 407 (b), which relates to Palestine ref-  
17 ugees in the Near East, strike out “for the fiscal year 1956”.

18 (g) Amend section 409, which relates to ocean freight  
19 charges, by inserting in subsection (c), after “\$2,000,000”  
20 in the last sentence thereof, the phrase “, and for the fiscal  
21 year 1957 not to exceed \$3,000,000,”.

22 (h) In section 410, which relates to Control Act ex-  
23 penses, after “\$1,175,000,” in the first sentence thereof, in-

1    sert “and for the fiscal year 1957 not to exceed  
2    \$1,175,000,”.

3       (i) Amend section 411, which relates to administrative  
4    and other expenses, as follows:

5       (1) In subsection (b), strike out all that follows “\$35,-  
6    225,000,” and insert “and for the fiscal year 1957 not to  
7    exceed \$35,250,000, for necessary administrative expenses  
8    incident to carrying out the provisions of this Act (other  
9    than chapter 1 of title I and section 124).”.

10      (2) Redesignate subsection “(c)” as subsection “(e)”,  
11    and insert after subsection (b) the following new sub-  
12    sections:

13       “(c) Not to exceed \$1,500,000 of funds made available  
14    under title II may be transferred in the fiscal year 1957  
15    for necessary administrative expenses not otherwise provided  
16    for incident to carrying out functions under the Agricultural  
17    Trade Development and Assistance Act of 1954, as amended  
18    (7 U. S. C. 1691 and the following), delegated or assigned  
19    to any agency or officer administering nonmilitary assistance,  
20    and the amounts so transferred shall be consolidated with  
21    funds made available pursuant to this section for said fiscal  
22    year.

23       “(d) There are authorized to be appropriated to the  
24    Department of State such amounts, not to exceed \$7,000,000  
25    in any fiscal year, as may be necessary from time to time



1 for administrative expenses which are incurred for normal  
2 functions of the Department which relate to functions under  
3 this Act."

4 (j) In section 413 (b) (2), after "to encourage and  
5 facilitate the flow of private investment to", insert ", and its  
6 equitable treatment in,".

7 (k) Amend section 413 (b) (4) as follows:

8 (1) Substitute "June 30, 1967" for "June 30, 1957".

9 (2) Amend subparagraph (F) to read as follows:

10 "(F) the President is authorized to issue guaranties  
11 up to a total face value of \$500,000,000 exclusive of  
12 informational media guaranties heretofore and hereafter  
13 issued pursuant to section 1011 of the Act of January  
14 27, 1948, as amended (22 U. S. C. 1442), and section  
15 111 (b) (3) of the Economic Cooperation Act of 1948,  
16 as amended (22 U. S. C. 1509 (b) (3)): Provided,  
17 That any funds allocated to a guaranty and remaining  
18 after all liability of the United States assumed in con-  
19 nection therewith has been released, discharged, or  
20 otherwise terminated, and funds realized after June 30,  
21 1955, from the sale of currencies or other assets acquired  
22 pursuant to subparagraph (C), shall be available for  
23 allocation to other guaranties, and the foregoing limi-  
24 tation shall be increased to the extent that such funds  
25 become available. Any payments made to discharge

1        *liabilities under guaranties issued under this paragraph*  
2        *shall be paid out of fees collected under subparagraph*  
3        *(E) as long as such fees are available, and thereafter*  
4        *shall be paid out of funds realized from the sale of cur-*  
5        *rencies or other assets acquired pursuant to sub-*  
6        *paragraph (C) and notes which have been issued*  
7        *under authority of paragraph 111 (c) (2) of the Eco-*  
8        *nomie Cooperation Act of 1948, as amended, and au-*  
9        *thorized to be issued under this paragraph by the Director*  
10       *of the International Cooperation Administration, when*  
11       *necessary to discharge liabilities under any such guaranty:*  
12       *Provided, That all guaranties issued after June 30, 1956,*  
13       *pursuant to this paragraph shall be considered for the*  
14       *purposes of sections 3679 (31 U. S. C. 665) and 3732*  
15       *(41 U. S. C. 11) of the Revised Statutes, as amended,*  
16       *as obligations only to the extent of the probable ulti-*  
17       *mate net cost to the United States of such guaranties;*  
18       *and the President shall, in the submission to the Con-*  
19       *gress of the reports required by section 534 of this Act,*  
20       *include information on the operation of this paragraph:*  
21       *Provided further, That at all times funds shall be allo-*  
22       *cated to all outstanding guaranties issued prior to July*  
23       *1, 1956, exclusive of informational media guaranties*  
24       *issued pursuant to section 1011 of the Act of January*  
25       *27, 1948, as amended (22 U. S. C. 1442), and section*



111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2)."

(l) Add the following new section:

"SEC. 421. FOOD AND AGRICULTURE ORGANIZATION.—Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking out the figure '\$2,000,000' in section 2 thereof and inserting in lieu thereof the figure '\$3,000,000', and by inserting before the period at the end of such section a colon and the following: 'Provided, That the percentage contribution of the United States to the total annual budget of the Organization shall not exceed 31.5 per centum'."

SEC. 9. Title V, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to general provisions, is further amended as follows:

1       (a) In section 501, which relates to transferability of  
2 funds, strike out the last three sentences.

3       (b) In section 502 (b), which relates to use of foreign  
4 currencies by committees of Congress, after "Joint Committee  
5 on the Economic Report" insert "and the Senate Select Com-  
6 mittee on Small Business".

7       (c) Amend section 507, which relates to availability of  
8 funds, to read as follows:

9       "SEC. 507. Availability of Funds.—Except as otherwise  
10 provided in this Act, funds shall be available to carry out the  
11 provisions of this Act (other than sections 414 and 416) as  
12 authorized and appropriated to the President each fiscal  
13 year."

14       (d) In section 509, which relates to shipping on United  
15 States vessels, after "this Act" in the last sentence thereof,  
16 insert "or the Agricultural Trade Development and Assist-  
17 ance Act of 1954, as amended (7 U. S. C. 1691 and the  
18 following),".

19       SEC. 10. Title V, chapter 2, of the Mutual Security Act  
20 of 1954, as amended, which relates to organization and  
21 administration, is further amended as follows:



1       (a) Amend section 522, which relates to allocation and  
2 reimbursement among agencies, as follows:

3       (1) Add the following at the end of subsection (b):

4       “The Administrator of General Services is authorized to  
5 maintain in a separate consolidated account, which shall be  
6 free from fiscal year limitations, payments received by the  
7 General Services Administration for administrative sur-  
8 charges in connection with procurement services performed  
9 by the General Services Administration in furtherance of the  
10 purposes of this Act. Such payments shall be in amounts  
11 mutually acceptable to the General Services Administration  
12 and the United States Government agency which finances  
13 the procurement, and these amounts shall be available for  
14 administrative expenses incurred by the General Services  
15 Administration in performing such procurement services.”

16       (2) Add the following new subsection:

17       “(f) Any appropriation made to carry out the pro-  
18 visions of this Act may initially be charged, within the limits  
19 of available funds, to finance expenses for which funds are  
20 available in other appropriations made under this Act: Pro-  
21 vided, That as of the end of the same fiscal year such ex-  
22 penses shall be finally charged to applicable appropriations  
23 with proper credit to the appropriations initially utilized  
24 for financing purposes.”

25       (b) In section 530, which relates to experts and con-

1 sultants or organizations thereof, insert before the period  
2 at the end of subsection (a) the following: “: Provided,  
3 That contracts for such employment with such organizations  
4 may be renewed annually”.

5 (c) Amend section 535, which relates to cooperation  
6 with international organizations, as follows:

7 (1) Insert “NATIONS AND” after “WITH” in the  
8 title.

9 (2) Amend subsection (b) to read as follows:

10 “(b) Whenever the President determines it to be in fur-  
11 therance of the purposes and within the limitations of this  
12 Act, United States Government agencies, on request of  
13 international organizations, are authorized to furnish sup-  
14 plies, materials, and services, and on request of nations, are  
15 authorized to furnish nonmilitary supplies, materials, and  
16 services, to such organizations and nations on an advance  
17 of funds or reimbursement basis. Such advances, or re-  
18 imbursements which are received under this subsection within  
19 one hundred and eighty days after the close of the fiscal year  
20 in which such supplies, materials, and services are delivered,  
21 may be credited to the current applicable appropriation or  
22 fund of the agency concerned and shall be available for the  
23 purposes for which such appropriations and funds are  
24 authorized to be used.”

25 (d) Add the following new section:



1       “SEC. 537. PROVISIONS ON USES OF FUNDS.—

2       “(a) Appropriations for the purposes of this Act (ex-  
3   cept for chapter 1 of title I and section 124), allocations to  
4   any United States Government agency, from other appro-  
5   priations, for functions directly related to the purposes of  
6   this Act, and funds made available for other purposes to  
7   any agency administering nonmilitary assistance, shall be  
8   available for:

9           “(1) rents in the District of Columbia for the  
10       fiscal year 1957;

11          “(2) expenses of attendance at meetings con-  
12       cerned with the purposes of such appropriations, in-  
13       cluding (notwithstanding the provisions of section 9  
14       of the Act of March 4, 1909 (31 U. S. C. 673)), ex-  
15       penses in connection with meetings of persons whose  
16       employment is authorized by section 530 of this Act;

17          “(3) employment of aliens, by contract, for serv-  
18       ices abroad;

19          “(4) purchase, maintenance, operation, and hire of  
20       aircraft: Provided, That aircraft for administrative  
21       purposes may be purchased only as specifically provided  
22       for in an appropriation or other Act;

23          “(5) purchase and hire of passenger motor vehicles:  
24       Provided, That, except as may otherwise be provided in  
25       an appropriation or other Act, passenger motor vehicles

1        *abroad for administrative purposes may be purchased*  
2        *for replacement only and such vehicles may be ex-*  
3        *changed or sold and replaced by an equal number of*  
4        *such vehicles and the cost, including exchange allow-*  
5        *ance, of each such replacement shall not exceed \$3,300*  
6        *in the case of an automobile for the chief of any special*  
7        *mission or staff abroad established under section 526 of*  
8        *this Act: Provided further, That passenger motor*  
9        *vehicles may be purchased for use in the continental*  
10       *United States only as may be specifically provided in*  
11       *an appropriation or other Act;*

12       “(6) *entertainment within the United States (not*  
13       *to exceed \$15,000 in any fiscal year except as may*  
14       *otherwise be provided in an appropriation or other*  
15       *Act);*

16       “(7) *exchange of funds without regard to section*  
17       *3651 of the Revised Statutes (31 U. S. C. 543), and*  
18       *loss by exchange;*

19       “(8) *expenditures (not to exceed \$50,000 in any*  
20       *fiscal year except as may otherwise be provided in an*  
21       *appropriation or other Act) of a confidential character*  
22       *other than entertainment, provided that a certificate of*  
23       *the amount of each such expenditure, the nature of*  
24       *which it is considered inadvisable to specify, shall be*  
25       *made by an officer administering nonmilitary assistance,*



1 or such person as he may designate, and every such  
2 certificate shall be deemed a sufficient voucher for the  
3 amount therein specified;

4 “(9) insurance of official motor vehicles in foreign  
5 countries;

6 “(10) rental of quarters outside the continental  
7 limits of the United States to house employees of the  
8 United States Government (without regard to section  
9 322 of the Act of June 30, 1932, as amended (40  
10 U. S. C. 278a)), lease, necessary repairs and altera-  
11 tions to quarters;

12 “(11) actual expenses of preparing and transport-  
13 ing to their former homes in the United States or else-  
14 where, and of care and disposition of, the remains of  
15 persons or members of the families of persons who may  
16 die while such persons are away from their homes par-  
17 ticipating in activities carried out with funds covered by  
18 this subsection (a);

19 “(12) purchase of uniforms;

20 “(13) payment of per diem in lieu of subsistence  
21 to foreign participants engaged in any program of fur-  
22 nishing technical information and assistance, while such  
23 participants are away from their homes in countries other  
24 than the continental United States, at rates not in excess  
25 of those prescribed by the Standardized Government

1      *Travel Regulations, notwithstanding any other provision*  
2      *of law;*

3            “(14) *expenses authorized by the Foreign Service*  
4      *Act of 1946, as amended (22 U. S. C 801 and the*  
5      *following), not otherwise provided for;*

6            “(15) *ice and drinking water for use abroad;*

7            “(16) *services of commissioned officers of the Pub-*  
8      *lic Health Service and of the Coast and Geodetic Survey,*  
9      *and for the purposes of providing such services the Pub-*  
10     *lic Health Service may appoint not to exceed twenty offi-*  
11     *cers in the regular corps to grades above that of senior*  
12     *assistant, but not above that of director, as otherwise*  
13     *authorized in accordance with section 711 of the Act*  
14     *of July 1, 1944, as amended (42 U. S. C. 211a), and*  
15     *the Coast and Geodetic Survey may appoint for such*  
16     *purposes not to exceed twenty commissioned officers in*  
17     *addition to those otherwise authorized;*

18           “(17) *expenses in connection with travel of per-*  
19     *sonnel outside the continental United States, including*  
20     *travel expenses of dependents (including expenses dur-*  
21     *ing necessary stopovers while engaged in such travel)*  
22     *and transportation of personal effects, household goods,*  
23     *and automobiles of such personnel when any part of such*  
24     *travel or transportation begins in one fiscal year pursu-*  
25     *ant to travel orders issued in that fiscal year, notwith-*



standing the fact that such travel or transportation may not be completed during that same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of any employee (i) for not to exceed three months after first arrival at a new post, (ii) when an employee is assigned to a post to which he cannot take, or at which he is unable to use, his furniture and household and personal effects, or (iii) when such storage would avoid the cost of transporting such furniture and effects from one location to another, under such regulations as an officer administering nonmilitary assistance, or such person as he may designate, may prescribe.

“(18) payment of unusual expenses incident to the operation and maintenance of official residences for chiefs of special missions or staffs serving in accordance with section 526 of this Act.

“(b) United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program.

“(c) Not to exceed \$12,000,000 of the funds available

1 in the fiscal year 1957 for assistance in Korea under this  
2 Act may be used by the President to construct or otherwise  
3 acquire living quarters, office space, and supporting facilities  
4 in Korea for use by personnel carrying out activities under  
5 this Act.”

6 SEC. 11. Title V, chapter 3, of the Mutual Security  
7 Act of 1954, as amended, which relates to repeal and mis-  
8 cellaneous provisions, is further amended as follows:

9 (a) Amend section 544, which relates to amendments  
10 to other laws, by adding the following new subsections:

11 “(c) In section 4 of the Act of May 26, 1949 (63  
12 Stat. 111, 5 U. S. C. 151c), insert after the words ‘such  
13 functions’ the following: ‘, including if he shall so specify  
14 the authority successively to redelegate any of such func-  
15 tions,’.

16 “(d) In the first sentence of section 32 (b) (2) of the  
17 Surplus Property Act of 1944, as amended (50 U. S. C.  
18 App. 1641 (b) (2)), after ‘any agency thereof’, insert  
19 ‘including amounts received in repayment of principal or  
20 interest on any loan made under section 505 (b) of the  
21 Mutual Security Act of 1954, as amended’.

22 “(e) Section 933 of the Foreign Service Act of 1946,  
23 as amended (22 U. S. C. 1148), is hereby amended by  
24 inserting after ‘continental United States’ where it appears



1 in both subsection (a) and subsection (b) of that section  
2 ‘, its Territories and possessions,’.

3 “(f) Section 1441 (c) of the Internal Revenue Code  
4 of 1954 is hereby amended by inserting after paragraph (5)  
5 the following new paragraph:

6 “‘(6) *PER DIEM OF CERTAIN ALIENS*.—No deduc-  
7 tion or withholding under subsection (a) shall be re-  
8 quired in the case of amounts of per diem for subsistence  
9 paid by the United States Government (directly or by  
10 contract) to any nonresident alien individual who is  
11 engaged in any program of training in the United States  
12 under the Mutual Security Act of 1954, as amended.’

13 “(g) Section 1011 of the United States Information and  
14 Educational Exchange Act of 1948, as amended (22 U. S.  
15 C. 1442), is amended by inserting ‘(a)’ before ‘The Director’,  
16 by deleting everything after the words ‘national interests  
17 of the United States’, by inserting a period at that point, and  
18 by inserting the following new subsections:

19 “‘(b) The Director is authorized to assume the obliga-  
20 tion of not to exceed \$28,000,000 of the notes authorized  
21 to be issued pursuant to subsection 111 (c) (2) of the  
22 Economic Cooperation Act of 1948, as amended (22  
23 U. S. C. 1509 (c) (2)), together with the interest accrued  
24 and unpaid thereon, and to obtain advances from time to

1 time from the Secretary of the Treasury up to such amount,  
2 less amounts previously advanced on such notes, as provided  
3 for in said notes. Such advances shall be deposited in a  
4 special account in the Treasury available for payments  
5 under informational media guaranties.

6 ““(c) The Director is authorized to make informational  
7 media guaranties without regard to the limitations of time  
8 contained in subsection 413 (b) (4) of the Mutual Se-  
9 curity Act of 1954, as amended (22 U. S. C. 1933 (b)  
10 (4)), but the total of such guaranties outstanding at any  
11 one time shall not exceed the sum of the face amount of  
12 the notes assumed by the Director less the amounts pre-  
13 viously advanced on such notes by the Secretary of the  
14 Treasury plus the amount of the funds in the special account  
15 referred to in subsection (b).

16 ““(d) Foreign currencies available after June 30,  
17 1955, from conversions made pursuant to the obligation of  
18 informational media guaranties may be sold, in accordance  
19 with Treasury Department regulations, for dollars which  
20 shall be deposited in the special account and shall be avail-  
21 able for payments under new guaranties. Such currencies  
22 shall be available, as may be provided for by the Congress in  
23 appropriation Acts, for use for educational, scientific, and  
24 cultural purposes which are in the national interest of the  
25 United States, and for such other purposes of mutual interest



1 as may be agreed to by the governments of the United States  
2 and the country from which the currencies derive.

3 ““(e) Notwithstanding the provisions of subparagraph  
4 413 (b) (4) (E) of the Mutual Security Act of 1954, as  
5 amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees  
6 collected for the issuance of informational media guaranties  
7 shall be deposited in the special account and shall be avail-  
8 able for payments under informational media guaranties;  
9 and (2) the Director may require the payment of a mini-  
10 mum charge of up to fifty dollars for issuance of guaranty  
11 contracts, or amendments thereto.

12 ““(f) The Director is further authorized, under such  
13 terms as he may prescribe, to make advance payments  
14 under informational media guaranties: Provided, That cur-  
15 rencies receivable from holders of such guaranties on account  
16 of such advance payments shall be paid to the United  
17 States within nine months from the date of the advance  
18 payment and that appropriate security to assure such pay-  
19 ments is required before any advance payment is made.

20 ““(g) As soon as feasible after the enactment of this  
21 subsection, all assets, liabilities, income, expenses, and charges  
22 of whatever kind pertaining to informational media guar-  
23 anties, including any charges against the authority to issue  
24 notes provided in section 111 (c) (2) of the Economic  
25 Cooperation Act of 1948, as amended, cumulative from the

1 enactment of that Act, shall be accounted for separately from  
2 other guaranties issued pursuant to subsection 413 (b) of  
3 the Mutual Security Act of 1954, as amended (22 U. S. C.  
4 1933 (b)): Provided, That there shall be transferred from  
5 the special account established pursuant to subsection (a),  
6 into the account available for payments under guaranties  
7 other than informational media guaranties, an amount equal  
8 to the total of the fees received for the issuance of guar-  
9 anties other than informational media guaranties, and used  
10 to make payments under informational media guaranties.'

11       “(h) Section 104 (h) of the Agricultural Trade De-  
12 velopment and Assistance Act of 1954, as amended (Public  
13 Law 480, Eighty-third Congress; 7 U. S. C. 1704), is  
14 amended by adding at the end thereof the following: ‘Not  
15 less than 5 per centum of the aggregate of the foreign cur-  
16 rencies accruing under this title, including currencies received  
17 in repayments of loans under subsection (g) of this section  
18 (which 5 per centum shall not be computed separately for  
19 each purchasing country but for all such countries combined),  
20 shall be used for the purposes of this subsection. In the allo-  
21 cation of funds as among the various purposes set forth in  
22 this section, a special effort shall be made to provide for the  
23 purposes of this subsection in regard to: (1) countries where  
24 adequate funds are not available from other sources for such  
25 purposes, and (2) countries where agreements can be nego-



1 *tiated to establish a fund with the interest and principal avail-*  
 2 *able over a period of years for such purposes.'*

3 *“(i) Section 104 of the Agricultural Trade Develop-*  
 4 *ment and Assistance Act of 1954 (Public Law 480, Eighty-*  
 5 *third Congress; 7 U. S. C. 1704) as amended, is further*  
 6 *amended by adding after paragraph (h) the following new*  
 7 *paragraph:*

8 *““(i) for financing the translation, publication, and*  
 9 *distribution of books and periodicals, including Gov-*  
 10 *ernment publications, abroad: Provided, That not more*  
 11 *than \$5,000,000 may be allocated for this purpose dur-*  
 12 *ing any fiscal year.’ ”*

13 *(b) Amend section 545, which relates to definitions, as*  
 14 *follows:*

15 *(1) Add at the end of subsection (h) the following:*  
 16 *“Notwithstanding the foregoing provisions of this subsection*  
 17 *(h) and for the purpose of establishing a more equitable*  
 18 *pricing system for transactions between the military depart-*  
 19 *ments and the Mutual Defense Assistance Program, the*  
 20 *Secretary of Defense shall prescribe at the earliest practicable*  
 21 *date, through appropriate pricing regulations of uniform ap-*  
 22 *plicability, that the term ‘value’ (except in the case of excess*  
 23 *equipment or materials) shall mean—*

24 *“(1) the price of equipment or materials obtaining*

1       for similar transactions between the Armed Forces  
2       of the United States; or

3           “(2) where there are no similar transactions within  
4       the meaning of paragraph (1), the gross cost to the  
5       United States adjusted as appropriate for condition and  
6       market value.”

7       (2) Add the following new subsections:

8           “(j) The term ‘agency administering nonmilitary assist-  
9       ance’ shall refer to any agency to which authorities and func-  
10      tions under chapter 3 of title I, title II, title III, or title IV  
11      of this Act are delegated or assigned pursuant to authority  
12      contained in sections 521 and 525 of this Act.

13          “(k) The term ‘officer administering nonmilitary assist-  
14      ance’ shall refer to any officer to whom authorities and func-  
15      tions under chapter 3 of title I, title II, title III, or title IV  
16      of this Act are delegated or assigned pursuant to authority  
17      contained in sections 521 and 525 of this Act.”

18          (c) In section 548, which relates to unexpended  
19      balances, substitute “1957” for “1956” and “June 30,  
20      1956” for “June 30, 1955”, and after the word “That”  
21      insert a comma and the following: “except for funds appro-  
22      priated pursuant to section 407, relating to Palestine Ref-  
23      ugees, and section 418, relating to the President’s Fund for  
24      Asian Economic Development,”.

25          (d) Add the following new section:



1        *SEC. 549. It is the sense of the Congress that the Presi-*  
2 *dent should explore with other nations the establishment of*  
3 *an International Food and Raw Materials Reserve under*  
4 *the auspices of the United Nations and related international*  
5 *organizations for the purpose of acquiring and storing in*  
6 *appropriate countries raw or processed farm products and*  
7 *other raw materials, exclusive of minerals, with a view to their*  
8 *use in—*

9            *(1) preventing extreme price fluctuations in the*  
10 *international market in these commodities;*

11           *(2) preventing famine and starvation;*

12           *(3) helping absorb temporary market surpluses of*  
13 *farm products and other raw materials (exclusive of*  
14 *minerals);*

15           *(4) economic and social development programs*  
16 *formulated in cooperation with other appropriate inter-*  
17 *national agencies.*

18        *Participation by the United States in such an Interna-*  
19 *tional Food and Raw Materials Reserve shall be contingent*  
20 *upon statutory authorization or treaty approval, as may be*  
21 *appropriate. The President shall include in each of the*  
22 *semiannual reports required by section 534 an account of*  
23 *action taken under this section.*

24            *FOREIGN RESEARCH REACTOR PROJECTS*

25        *SEC. 12. (a) As one means of furthering peaceful uses*

1 of atomic energy on an international basis, there is hereby  
2 authorized to be appropriated to the President for the fiscal  
3 year 1957 not to exceed \$5,950,000 for use by the Presi-  
4 dent, on such terms and conditions as he may specify, for  
5 research reactor projects undertaken or authorized by foreign  
6 governments which shall have entered into agreements for  
7 cooperation with the Government of the United States con-  
8 cerning the peaceful uses of atomic energy.

9 (b) Nothing in this section shall alter, amend, revoke,  
10 repeal, or otherwise affect the provisions of the Atomic  
11 Energy Act of 1954.

12 (c) The United States share of the cost of any reactor  
13 made available to another government or to other govern-  
14 ments under this section shall not exceed \$350,000.

15 (d) In carrying out the purposes of this section the  
16 Director of the International Cooperation Administration,  
17 the Atomic Energy Commission, and other United States  
18 departments and agencies shall give full and continuous  
19 publicity through the press, radio, and all other available  
20 media, so as to inform the peoples of the participating  
21 countries regarding the assistance, including its purpose,  
22 source, and character, furnished by the United States. Such  
23 portions of the equipment furnished under this section as  
24 may be appropriately die-stamped as a product of the United  
25 States shall be so stamped.



1        *SEC. 13. It is the sense of Congress that \$11,000,000*  
2   *of the funds made available pursuant to the Mutual Security*  
3   *Act of 1954, as amended, for the fiscal year 1957 be trans-*  
4   *ferred, in the discretion of the President, to the Department*  
5   *of State to carry out international educational exchange*  
6   *activities. Such amount is authorized to be transferred to*  
7   *and consolidated with funds made available to the Depart-*  
8   *ment of State for the fiscal year 1957 for the activities author-*  
9   *ized by the United States Information and Educational*  
10   *Exchange Act of 1948, as amended (22 U. S. C. 1431-*  
11   *1479), and by section 32 (b) (2) of the Surplus Property*  
12   *Act of 1944, as amended (50 U. S. C., App. 1641 (b)).*  
13   *The amount transferred pursuant to this section shall be in*  
14   *addition to funds otherwise appropriated for such activities,*  
15   *and not to exceed \$500,000 of the amount so transferred may*  
16   *be used for administrative expenses.*

Passed the House of Representatives June 11, 1956.

Attest:

RALPH R. ROBERTS,

*Clerk.*

84TH CONGRESS  
2d Session

H. R. 11356

[Report No. 2273]

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## AN ACT

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To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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JUNE 11, 1956

Read twice and referred to the Committee on  
Foreign Relations

JUNE 19, 1956

Reported with an amendment









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 26, 1956  
For actions of June 25, 1956  
84th-2nd, No. 105

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HIGHLIGHTS: House received conference reports on: Public works appropriation bill. Labor-HEW appropriation bill. Road bill. House committee reported trip leasing bill. Senate subcommittee ordered reported area development bill.

## SENATE

1. DEFENSE PRODUCTION. Senate and House conferees were appointed on H. R. 9852, to extend the Defense Production Act of 1950. pp. 9832, 9846
2. EXPORT CONTROLS. Senate and House conferees were appointed on H. R. 9052, to extend the Export Control Act of 1949. pp. 9832, 9846
3. NATURAL RESOURCES. The Interior and Insular Affairs Committee reported with amendment S. J. Res. 139, to provide for the observance and commemoration of the fiftieth anniversary of the first conference of State governors for the protection of the natural resources of the U. S. (S. Rept. 2299). p. 9789
4. APPROPRIATIONS. Continued debate on H. R. 10986, the Defense Department appropriation bill for 1957. pp. 9796, 9804, 9822
5. AREA REDEVELOPMENT. The Labor and Public Welfare Subcommittee on Labor ordered reported to the full committee with an amendment in the nature of a substitute S. 2663, to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas. p. D675

6. FOREIGN AFFAIRS. Sen. Humphrey spoke in favor of legislation to strengthen international relations through cultural and athletic exchanges and participation in international fairs and festivals, and inserted two articles on the subject. p. 9843
7. LEGISLATIVE PROGRAM. Sen. Johnson announced that the mutual security bill may be considered today. p. 9795
8. MARKETING. The Judiciary Committee reported with amendment S. 2891, to prohibit the use by certain businesses of the initials "U. S." in the business or firm name, or pictures of the Capitol Building and other public buildings of the U. S. in their advertising (S. Rept. 2351). p. 9789
9. COMMODITY CREDIT CORPORATION. S. 3820, as reported (see Digest 104), increases CCC borrowing authority by \$2.5 billion, an increase of \$500 million above the bill as introduced. The committee report includes the following statement:  
"Since this bill was introduced the Soil Bank Act was enacted, providing for the use of the Corporation's funds in advance of appropriation until June 30, 1957, to finance operations under that act. Firm estimates as to the effect of the Soil Bank Act on the Corporation's need for borrowing authority are not feasible at this time and the committee therefore recommends amendments to the bill increasing the Corporation's borrowing authority by an additional half billion dollars to \$14.5 billion, which it is believed will carry the Corporation through May of next year when more accurate estimates of needs can be made."
10. FOREIGN AID; SURPLUS COMMODITIES. H. R. 11356, as reported (see Digest 101), includes the following provisions: Authorizes use of development assistance funds for nonadministrative expenses to assist in carrying out functions delegated to ICA under the Agricultural Trade Development and Assistance Act. Authorizes appropriation of \$157,500,000 for various programs of technical cooperation in fiscal year 1957. Authorizes \$3 million for payment of ocean freight charges on relief goods shipped by voluntary agencies. Authorizes \$1,500,000 for administrative expenses arising from ICA's administration of foreign currencies received for sales of surplus agricultural commodities under title 1 of the Agricultural Trade Development and Assistance Act. Increases the ceiling on U. S. contributions to the Food and Agriculture Organization from \$2 million a year to \$3 million a year, with a proviso that in no case can our contributions exceed 31.5% of the total annual budget of the organization. Exempts from the 50-50 cargo-preference law shipments between foreign countries of commodities procured with foreign currencies received for surplus agricultural commodities under the Agricultural Trade Development and Assistance Act. Amends the Agricultural Trade Development and Assistance Act so as to require that at least 5% of the aggregate of the currencies shall be used for student-exchange programs and to permit use of not over \$5 million annually of the currencies for translation, publication, and dissemination of books and periodicals abroad. Expresses it as the sense of Congress that the President should explore with other nations the establishment of an International Food and Raw Materials Reserve under auspices of the UN and related international organizations.  
As reported (see Digest 104), S. 3903 amends the Agricultural Trade Development and Assistance Act so as to increase from \$1.5 billion to \$3 billion the amount under title 1, to permit foreign currencies acquired under the title to be used to assist American-sponsored schools abroad, to remove barter transactions from the purview of the provision against trade with Iron Curtain countries, and to exempt sales of fruit and fruit products from private stocks under title 1 of the Act from the cargo preference laws.









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 27, 1956  
For actions of June 26, 1956  
84th-2nd, No. 106

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HIGHLIGHTS: House committee reported bills to: Decrease review period for watershed projects. Extend school milk program to certain institutions. Permit certain cotton futures purchasing. Prescribe the civil penalties for violations of Federal Seed Act. Permit certain USDA-State-local employee exchanges. Both Houses agreed to conference report on road bill. Ready for President. Senate committee reported bill to transfer Puerto Rican hurricane loans to USDA. (Continued on page 5)

### SENATE

1. ROADS. Both Houses agreed to the conference report on H. R. 10660, the road bill. This bill will now be sent to the President. (See Digest 105 for items of interest). pp. 9901, 9925
2. LOANS. The Interior and Insular Affairs Committee reported without amendment H. R. 8385, to transfer responsibility for administration of Puerto Rican hurricane relief loans to USDA (S. Rept. 2352). p. 9885
3. HELLS CANYON DAM. The Interior and Insular Affairs Committee submitted its report on S. 1333, to authorize construction of the Hells Canyon Dam (S. Rept. 2275). p. 9886  
Sen. Goldwater commented on the costs of construction of the dam, and inserted an article relative to such costs. p. 9889  
Sen. Neuberger commented on the construction of the dam, and inserted several letters regarding it. p. 9919
4. PERSONNEL. The Post Office and Civil Service Committee submitted its report on S. Res. 294, to extend the time for a study of the Government employees security program (S. Rept. 2370). pp. 9886, D684

Sen. Johnston urged passage of S. 2875, the retirement bill, and criticized efforts to modify its provisions. p. 9892

5. APPROPRIATIONS. Passed, <sup>with amendments</sup> by a vote of 88 to 0, H. R. 10986, the Defense Department appropriation bill for 1957. Conferees were appointed. pp. 9893, 9909
  6. FARM PRICES. Sen. Douglas inserted and commented on the annual report of the Ill. Farm Bureau Farm Management Service showing the income for different types and sizes of farms, and suggested that this Department attempt to raise farm prices. p. 9899
  7. MUTUAL SECURITY. H. R. 11356, the mutual security bill was made the unfinished business for consideration today. Sen. Johnson stated that probably a vote on the bill would be taken on Thurs. or Fri. p. 9919
  8. FORESTRY. Sen. Neuberger inserted a newspaper editorial supporting the creation of a national wilderness preservation system. p. 9920
  9. LEGISLATIVE PROGRAM. Sen. Johnson announced that H. R. 10285, the farm credit bill, and S. 3903, to amend P. L. 480, may be considered this week; and that there would not be a Senate session on July 4. pp. 9889, 9921
  10. PUBLIC LANDS. The Interior and Insular Affairs Committee reported the following bills: p. 9885
    - S. 3828, without amendment, to clarify the law relating to the grant of certain public lands to the States for school purposes (S. Rept. 2365).
    - S. 3773, with amendment, to provide for an extension of the time during which annual assessment work on certain unpatented mining claims may be made (S. Rept. 2362).
- HOUSE
11. WATER POLLUTION. Received the conference report on S. 890, to extend and strengthen the Water Pollution Control Act (H. Rept. 2479). The bill provides for the preparation, development, and administration of programs relating to the control of water pollution by the Public Health Service, establishes a Water Pollution Control Advisory Board in the Public Health Service for the study and recommendations relating to water pollution, and provides for Federal State-local cooperation in the control of water pollution and authorizes to be appropriated \$3 million for fiscal year 1957 and each succeeding year through fiscal year 1961. pp. 9932, 9975
  12. GRAINS. Concurred in Senate <sup>amendment to</sup> H. R. 7641, which authorizes the Interior Department to requisition from CCC such wheat, corn, and other grains as CCC certifies to be available from its price-support inventories for the purpose of feeding migratory waterfowl such as ducks and geese, provides that Interior will reimburse CCC for expenses of packaging and transportation, and authorizes appropriations to reimburse CCC for its investment in the grain. p. 9937  
Ready for President.
  13. APPROPRIATIONS. Received the conference report on H. R. 10003, the D. C. appropriation bill for 1957. pp. 9971, 9975
  14. EXPORT CONTROL. Received the conference report on H. R. 9052, to extend the Export Control Act of 1949 for an additional 2 years (H. Rept. 2485). pp. 9972, 9975









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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For actions of June 27, 1956  
84th-2nd, No. 107

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HIGHLIGHTS: Both Houses agreed to conference reports on, and cleared for President: Public works appropriation bill. Labor-HEW appropriation bill. Water pollution bill. Senate debated mutual security bill. Senate agreed to conference report on bill to extend Export Control Act. Senate agreed to conference report on bill to extend Defense Production Act. House Rules Committee cleared bill to increase CCC borrowing authority. Rep. Dodd urged compulsory poultry inspection.

## HOUSE

1. APPROPRIATIONS. Both Houses agreed to the conference reports on the following bills and thus cleared for Presidential action:  
H. R. 10003, the D. C. appropriation bill for 1957. pp. 10005, 10048  
H. R. 11319, the public works appropriation bill for 1957. pp. 10010, 10048  
H. R. 9720, the Labor-HEW appropriation bill for 1957. pp. 10026, 10052  
Conferees were appointed on H. R. 10986, the Defense Department appropriation bill for 1957. p. 10052 Senate conferees were appointed on June 26.
2. COMMODITY CREDIT CORPORATION. The Rules Committee reported a resolution for the consideration of H. R. 11132, to increase the borrowing authority of the CCC. pp. 10051, 10079
3. MARKETING. The Rules Committee reported a resolution for the consideration of H. R. 4054, to provide a system of mortgage insurance to municipal and other political subdivisions of the States, to be administered by the USDA, for the expansion of public marketing of perishable commodities. pp. 10051, 10079

4. WATER POLLUTION. Both Houses agreed to the conference report on S. 890, to extend and strengthen the Water Pollution Control Act. This bill is now ready for the President. pp. 10007, 10073
5. EDUCATION. The Rules Committee reported a resolution for the consideration of H. R. 11695, to extend until June 30, 1958, the program of financial assistance in the construction and operation of schools in areas affected by Federal activities under the provisions of Public Laws 815 and 874, 81st Congress. pp. 10051, 10079
6. WATER. The Public Works Committee ordered reported S. 2374, to authorize the Secretary of the Army to enter into contracts to furnish water for municipal water supplies from flood control and river and harbor projects. p. D698
7. PERSONNEL. The Education and Labor Committee reported without amendment H. R. 11923, to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement (H. Rept. 2500). p. 10079
8. RESEARCH; ORGANIZATION. The Armed Services Committee ordered reported H. R. 11575, to provide for an Assistant Secretary for Research and Development for each of the three military departments of the Defense Department. p. D696
9. CONTRACTS. The Ways and Means Committee ordered reported H. R. 11947, to extend and amend the Renegotiation Act of 1951. p. D698

SENATE

10. FOREIGN AID. Began debate on H. R. 11356, the mutual security bill. Agreed to limit debate, beginning Thurs., to 1 hour on each amendment, and to 3 hours on the question of final passage. pp. 9988, 10019, 10023, 10033
11. VETERANS' BENEFITS; FARM LOANS. The Labor and Public Welfare Subcommittee on Veterans' Affairs ordered reported to the full committee with amendment H. R. 9260, to extend the VA guaranteed-loan program for 1 year until July 25, 1958. p. D694
12. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 7663, to restore subsurface rights in certain lands formerly a part of the Uintah Indian Reservation to the Ute Indians (S. Rept. 2372). p. 9984
13. FOREIGN TRADE. The Interstate and Foreign Commerce Committee submitted a report, "Influence of Cargo Preference Statutes on the Surplus Agricultural Disposal Program" (S. Rept. 2376). p. 9984
14. WATERSHEDS. Received from the Department of the Army a review report on the Oswego River watershed at Auburn, N. Y. (S. Doc. 133). p. 9984
15. FOREIGN AFFAIRS. Sen. Flanders commented on various aspects of foreign affairs, including the effects of increased food production in India. p. 10045  
Sen. Mansfield spoke on the need for continued military and economic aid for Southeast Asia. p. 10009
16. ANIMAL SLAUGHTER. Sen. Neuberger spoke on the need for more humane methods in the slaughter of animals for food consumption, and inserted two letters on the matter. p. 10009



A father, a quiet man and a kindly soul, he accomplished much for his fellowmen in his years of public service. Senator Carville will long be remembered as a true son of Nevada, as has been recognized not only by the people of his State, but by his country as well.

The State of Nevada and the Nation have indeed suffered a great loss. I feel sure, Mr. President, that all the other Members of this body join me in expressing to the members of Senator Carville's family our deepest and most heartfelt sympathy.

#### DEATH OF FORMER REPRESENTATIVE ELTON WATKINS, OF OREGON

Mr. MORSE. Mr. President, I have the very sad duty, on behalf of myself and my colleague [Mr. NEUBERGER] of announcing to the Senate that the Honorable Elton Watkins, formerly a Member of the House of Representatives from the State of Oregon, has passed away.

Elton Watkins was a prominent figure and an able leader in public life in the State of Oregon. He was educated at Washington and Lee University; held a bachelor of laws degree from Georgetown University Law School, and held a master of laws degree from George Washington Law School.

He is survived by his widow and his son, Dr. Elton Watkins, Jr., and by a daughter, Wilma Virginia Weber.

To his widow and his children, Mrs. Morse and I express our deepest sympathy in the great loss they have suffered, and we pray that there will be vouchsafed to them the spiritual strength to sustain them in the hour of their bereavement.

Mr. President, Elton Watkins, as a Member of the House of Representatives, was very active in sponsoring and supporting wise and important legislation. He was a diligent worker for legislation designed for the benefit of veterans. He was very active in connection with the Soldier Bonus Act of 1924, and supported and worked ardently for the Immigration Act of 1925.

Mr. President, Mr. Elton was assistant United States attorney for Oregon in 1919; he was a Member of the United States House of Representatives, from the Third District of Oregon, from 1923 to 1925. He was instrumental in securing for Portland, Oreg., the present United States Veterans' Hospital. He was active in promoting the pay increase for postal employees.

During World War I, he was a member of the Federal Bureau of Investigation. He was Democratic nominee for United States Senator from Oregon in 1930, and was a presidential elector in 1920, 1936, and 1944. He was a member of the Oregon and the Multnomah County Bar Associations, and made his home in Portland, Oreg.

I knew Mr. Watkins very well. He was always on the side of those who advocated and supported the general welfare of the people in connection with issue after issue in our State. I wish to express for the record—and I know I speak

for all the people of my State, including members of both parties—my feeling that in the passing of Elton Watkins, Oregon has lost an outstanding citizen and a valiant public servant. His monument is his record of public service.

Mr. NEUBERGER. Mr. President, I wish to associate myself with the remarks made by the senior Senator from Oregon concerning the career of Elton Watkins.

Mr. Watkins was a neighbor of mine. His son, now a physician, had been a student at the high school where Mrs. Neuberger was a teacher. We knew the family well, and we were great admirers of Mr. Watkins' contribution to our State and Nation. His loss will be felt by our State for many years to come.

#### TRIBUTE TO THE LATE VICE ADMIRAL FRANCIS X. MCINERNEY, UNITED STATES NAVY, RETIRED

Mr. O'MAHONEY. Mr. President, I desire to pay a brief tribute to a patriotic and heroic citizen of Wyoming, a vice admiral of the United States Navy, who unfortunately died suddenly on June 24 last at the Naval Hospital in San Diego, Calif.

I refer to Vice Adm. Francis Xavier McInerney, who, following his graduation from the Naval Academy in June 1920, continued actively in the service of the Navy until about 2 years ago.

During his career he won the Bronze Star, the Navy Cross, the Presidential Unit Citation, the Silver Star Medal, and the Legion of Merit.

He was the son of a pioneer family of the State of Wyoming. The McInerneys were loved and respected by all who knew them.

He was appointed to the Naval Academy from the city of Cheyenne, my own hometown. I very well remember the date of his selection by the late Senator Francis E. Warren.

He served with distinction, as the awards indicate; and the people of my State are universally distressed at his untimely death. I am sure they all wish to express deepest sympathy to the family he has left.

Vice Admiral McInerney was only 57 years of age. He was born in Cheyenne, Wyo., on March 28, 1899, the son of Thomas and Phyllis O'Neal McInerney.

He attended the University of Colorado, Boulder, Colo., for 1 year before his appointment to the United States Naval Academy from Wyoming in June 1917. Graduated and commissioned ensign with the class of 1921 (A) on June 4, 1920, he subsequently advanced to the rank of captain on June 20, 1942. His selection to rear admiral, approved by the President on November 21, 1947, was confirmed by the Senate on January 23, 1948, to date from September 1, 1947. On June 30, 1955, he was transferred to the retired list of the United States Navy, and was advanced to the rank of vice admiral on the basis of combat awards.

After graduation from the Naval Academy in June 1920, he served until June 1921 in the U. S. S. *New Mexico*, flagship of Commander in Chief, Pacific Fleet. For 6 years thereafter he had

duty in destroyers of the Pacific and Atlantic Fleets, including the U. S. S. *Burns*, U. S. S. *Williamson* and again in the U. S. S. *Burns*. From June 1927 to June 1929 he was assigned to the Naval Torpedo Station, Newport, R. I., after which he served for 3 years in the U. S. S. *Dobbin*.

In June 1932 he reported for postgraduate instruction in law, under the supervision of the Office of the Judge Advocate General of the Navy, at George Washington University Law School, Washington, D. C., and received the degree of bachelor of laws. He was admitted to practice in the District Court of the District of Columbia on November 20, 1935, and later in the United States Court of Appeals for the District of Columbia. Between June 1935 and June 1938 he served in the U. S. S. *Concord* in the Pacific waters, after which he was an instructor at the Postgraduate School, Annapolis, Md.

He assumed command of the U. S. S. *Smith* in May 1940, and was commanding that destroyer when the United States entered World War II on December 8, 1941. In February 1942, while in command of a destroyer division, he became the senior officer in destroyers attached to the ANZAC Squadron in the South Pacific, and as such participated in the early strikes in the Solomons and the Battle of the Coral Sea. He received a Letter of Commendation, with Ribbon, from the Commander in Chief, Pacific Fleet, for "exemplary action on May 7, 1942, while in command of three destroyers attached to a task group when this group was attacked by enemy torpedo planes followed by enemy bombing planes repelling the enemy attack without damage to our own forces and with the enemy loss of several planes."

In March 1943 he assumed command of Destroyer Squadron 21, first of the new 2100-ton destroyers. These ships, under his command, operated in the Solomons in the First and Second Battles of Kula Gulf, and rescued survivors of the U. S. S. *Helena*.

As I have already said, he was awarded the Bronze Star Medal with Combat "V," the Navy Cross, Presidential Unit Citation and Ribbon, the Silver Star Medal, and the Legion of Merit with Combat "V." Extracts from the citations read as follows:

#### Bronze Star Medal:

For meritorious achievement as commander of Destroyer Squadron 21 operating as a component of a task force during combined minelaying and bombardment missions in the enemy Japanese-held Kolombangara and New Georgia areas, Solomon Islands, on the night of May 13, 1943.

#### Navy Cross:

For extraordinary heroism as commanding officer of a squadron of destroyers in action against enemy Japanese forces in the Solomon Islands on July 5-6, 1943. As part of a task force in close support of the landing of United States troops at Rice Anchorage on New Georgia Island (he) skillfully led his group of destroyers through restricted submarine infested waters and effectively bombarded enemy shore batteries and installations in the face of intense hostile gun and torpedo fire \* \* \* succeeded in sinking or severely damaging all of the hostile vessels.



Presidential Unit Citation, U. S. S. *Nicholas*:

For outstanding performance in action against enemy Japanese forces off Kolombangara Island, New Georgia Group, Solomon Islands, on the night of July 5-6, 1943. After waging a vigorous battle as part of the small task force which destroyed a superior Japanese surface force, the *Nicholas* remained behind with an accompanying destroyer to save survivors of the torpedoed U. S. S. *Helena*. \* \* \* With the other destroyer (she) sank or damaged an enemy light cruiser and 2 destroyers with deadly torpedo and gunfire, returning to the area after each onslaught to complete the heroic rescue of more than 700 survivors.

#### Silver Star Medal:

For conspicuous gallantry and intrepidity in action as commander of a task group of destroyers during the engagement with enemy Japanese forces off Kolombangara Island, Solomon Islands, in the early morning of July 13, 1943.

#### Legion of Merit:

For exceptionally meritorious conduct \* \* \* as commander of a naval task unit of destroyers which covered the operations of other naval units engaged in the rescue of about 165 survivors of the sunken U. S. S. *Helena* who had reached shore on the enemy-occupied island of Vella Lavella, New Georgia Island, on July 15-16, 1943. Skillfully conducting his unit during the night from Guadalcanal through the "slot" to the northward of Vella Lavella to appropriate positions (he) deliberately risked observation and attack by hostile aircraft and possible attack by superior enemy naval forces based nearby at Shortland Islands, to permit the rescue of the survivors of the *Helena*. By his strategic ability, and sound judgment, he was responsible for the successful completion of the operations of the covering and rescue units and the return through the "slot" on the morning of July 16, without damage to his forces.

In August 1943 he became representative of commander destroyers in the South Pacific and in March 1944 was named Chief of Staff for Commander Operational Training Command, Pacific Fleet. For his services in this capacity he received a letter of commendation from the Commander in Chief, Pacific Fleet, and wears a bronze star on his commendation ribbon.

He assumed command of the battleship *Washington* on June 5, 1945, at San Pedro Bay, Leyte, P. I. Under his command the U. S. S. *Washington* returned to the United States in the summer of 1945 to join the Atlantic Fleet. After participation in Navy Day—1945—ceremonies at Philadelphia, Pa., she was assigned troop-transport duty, and in November of that year became part of the "magic carpet" fleet. On her last voyage bringing veterans to their homeland, she encountered a series of severe hurricanes.

In October 1946 he reported as commanding officer of the Naval Receiving Station, Naval Station, Treasure Island, San Francisco, Calif., and on February 5, 1948, was ordered to command Cruiser Division 15. He assumed command of Cruiser Division 3, March 11, 1949, and on July 17, 1949, was transferred to command of Cruiser Division 5. He remained in that assignment until September 1949 when he was ordered to report to the Commander Battleships-

Cruisers Pacific Fleet, for further assignment.

In January 1950 he became Commander Amphibious Training Command, Pacific Fleet. On September 24, 1951, he assumed command of Amphibious Group 3, Pacific Fleet, and in November 1952 transferred to command of Service Squadron 3.

For meritorious service as Commander Joint Amphibious Task Force 7 and Commander Task Force 76, from 14 to 16 October 1953, and as Commander Task Force 92 from 21 November 1952 to 13 February 1953, during operations against enemy aggressor forces in Korea—

He was awarded a Gold Star in lieu of the Second Bronze Star Medal with Combat "V." The citation continues in part:

As Commander Joint Amphibious Task Force 7, Rear Admiral McInerney conducted a highly successful amphibious training exercise along the enemy-held beach at Kojo, Korea, without sustaining a single casualty. This operation was of exceptional planning value to the prosecution of the Korean conflict. As Commander Task Force 92, he was charged with the responsibility of providing logistic support to combatant units in Korean waters. Through the development of a technique of underway replenishment, he was instrumental in helping the 7th Fleet to maintain almost continual pressure on the enemy in Korea, reducing to a minimum the necessity for trips into port for upkeep and replenishment. Under his direction, the ships of his force established numerous records in the field of logistics. By his outstanding professional skill, sound judgment, and steadfast devotion to duty, (he) contributed materially to the success of the naval effort in the Korean conflict.

Ordered detached from command of Service Squadron 3, he reported in March 1953 as senior member, Board of Naval Inspection and Survey, West Coast Section, with headquarters in San Francisco, Calif. In October 1954 he became president of the Permanent General Court Martial, 11th Naval District, with headquarters in San Diego, Calif., continuing to serve in that capacity until relieved of all active duty, pending his retirement effective June 30, 1955.

In addition to the Navy Cross, the Silver Star Medal, the Legion of Merit with Combat V, Bronze Star Medal with Gold Star and Combat V, the commendation ribbon with bronze star, and the Presidential Unit Citation ribbon, Vice Admiral McInerney has the World War I Victory Medal, Atlantic Fleet Clasp; the American Defense Service Medal, Fleet Clasp; the American Campaign Medal; the Asiatic-Pacific Campaign Medal with three engagement stars; World War II Victory Medal; the Navy Occupation Service Medal; the China Service Medal; National Defense Service Medal; Korean Service Medal; and the United Nations Service Medal.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

Mr. JOHNSON of Texas. Mr. President, I suggest the obsence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### MUTUAL SECURITY ACT OF 1956

Mr. JOHNSON of Texas. Mr. President, I ask the Chair lay before the Senate the unfinished business—

The PRESIDENT pro tempore. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

#### DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The PRESIDENT pro tempore. The Chair desires to read the following letter:

UNITED STATES SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D. C., June 27, 1956.

Desiring to be temporarily absent from the Senate, I appoint Hon. J. ALLEN FREAR, JR., a Senator from the State of Delaware, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,  
President pro tempore.

Mr. FREAR thereupon took the chair as Acting President pro tempore.

#### CLAIMS OF VATICAN CITY FOR LOSSES CAUSED BY THE ARMED FORCES DURING WORLD WAR II

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 2315, H. R. 10766.

The PRESIDENT pro tempore. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 10766) to authorize the payment of compensation for certain losses and damages caused by United States Armed Forces during World War II.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President; I ask the Senator from Montana to make a brief explanation of the bill.

Mr. MANSFIELD. Mr. President, the purpose of the bill is to authorize the Secretary of the Treasury to pay the sum of \$964,199.35 in full and final settlement of all claims of the Vatican City for losses and damages caused by United States Armed Forces in the Papal Domain Castel Gandolfo during World War II. The same amount is authorized to be appropriated for that purpose.

Castel Gandolfo was accidentally damaged on February 2, 10, May 31, and June 4, 1944, by bombs dropped from United States planes in raids on nearby military targets.



change from the position of the Senate, and also a change from the position of the House.

My understanding of the action taken by the committee of conference relative to the central and southern Florida flood-control project is that the amount allowed by the House, \$8,750,000, was agreed upon by the conferees and appears in the conference report. Is that correct?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. But my understanding also is that that amount is distributed as between construction and repayment of the local agency on account of action heretofore authorized by Congress in a way different from that shown by either bill originally.

Mr. ELLENDER. The Senator is correct. If he will recall, the Senate committee provided \$10 million. Out of that sum the State of Florida was to be repaid \$2,900,000.

The Senate conferees receded from the figure of \$10 million and accepted \$8,750,000.

The House conferees receded from their position, that of the \$8,750,000 which was provided by the House, \$2,900,000 was to be paid to the State of Florida. The House receded from that position and agreed that only \$750,000 of the \$8,750,000 was to be used for reimbursement of advanced funds, thereby leaving \$8 million for construction.

Mr. HOLLAND. I thank the Senator. It is my understanding that the \$750,000 represents the amount which the State agency had requested in repayment this year.

Mr. ELLENDER. The Senator is correct.

Mr. HOLLAND. So the State gets what it had asked for by way of partial repayment, and the construction project gets \$8 million, and everybody is as happy as can be with the smaller amount of money.

Mr. ELLENDER. That is exactly correct; and the repayment of the balance of the amount due the State is postponed.

Mr. HOLLAND. There is in this bill only an installment payment to the State of \$750,000. That is the amount which the State had requested be repaid in this particular year.

Mr. ELLENDER. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### CONTROL OF NARCOTICS, BARBITURATES, AND DANGEROUS DRUGS IN THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 11320) to effect the control of narcotics, barbiturates, and dangerous drugs in the District of Columbia, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MORSE. I move that the Senate insist upon its amendments, agree to

the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MORSE, Mr. BIBLE, and Mr. HRUSKA conferees on the part of the Senate.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. MAUER, its reading clerk, returned to the Senate, in compliance with its request, the message of the Senate announcing its agreement to the amendments of the House to the bill (S. 1622) to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, South Dakota, of the Missouri River Basin project, and for other purposes.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9720) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957, and for other purposes, and that the House had receded from its disagreement to the amendments of the Senate numbered 4, 11, 18, 22, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 44 to the bill, and concurred therein.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 909. An act for the relief of Charles O. Ferry and other employees of the Alaska Road Commission; and

H. R. 1963. An act for the relief of Mr. and Mrs. Clarence M. Augustine.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 906. An act for the relief of William Martin, of Tok Junction, Alaska; and

H. R. 7763. An act to amend the Japanese-American Evacuation Claims Act of 1948, as amended, to expedite the final determination of the claims, and for other purposes.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 83) requesting the return of enrolled bill S. 3581 to the Senate.

#### MUTUAL SECURITY ACT OF 1956

The Senate resumed the consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. LANGER. I object. We are going to hear one of the greatest speeches delivered on the floor of the Senate this

year, by the distinguished Senator from Georgia [Mr. GEORGE]. I think more Senators ought to hear him.

The PRESIDING OFFICER. Objection is heard. The clerk will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Goldwater	McCarthy
Allott	Gore	McClellan
Anderson	Green	McNamara
Barrett	Hayden	Millikin
Beall	Hennings	Monroney
Bender	Hickenlooper	Morse
Bennett	Hill	Mundt
Bible	Holland	Murray
Bricker	Hruska	Neuberger
Bridges	Humphrey	O'Mahoney
Bush	Minn.	Pastore
Butler	Humphreys	Payne
Byrd	Ky.	Potter
Carlson	Ives	Purtell
Case, N. J.	Jackson	Robertson
Case, S. Dak.	Johnson, Tex.	Russell
Chavez	Johnson, S. C.	Schoeppel
Clements	Kefauver	Scott
Cotton	Kennedy	Smathers
Curtis	Kerr	Smith, Maine
Daniel	Knowland	Smith, N. J.
Douglas	Kuchel	Sparkman
Duff	Laird	Stennis
Dworshak	Langer	Symington
Eastland	Lehman	Thye
Ellender	Long	Watkins
Ervin	Magnuson	Welker
Flanders	Malone	Williams
Frear	Mansfield	Wofford
Fulbright	Martin, Iowa	Young
George	Martin, Pa.	

Mr. CLEMENTS. I announce that the Senator from West Virginia [Mr. NEELY] is necessarily absent.

Mr. KNOWLAND. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Illinois [Mr. DIRKSEN], the Senator from Indiana [Mr. JENNER], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

Mr. GEORGE. Mr. President, I ask that the Chair state the parliamentary situation affecting the pending bill.

The PRESIDING OFFICER (Mr. LAIRD in the chair). The Chair will make the following statement in regard to the procedure to be observed in connection with the pending bill:

The committee amendment strikes out all after the enacting clause and inserts a complete substitute. In such cases, under the precedents of the Senate, the substitute is considered as original text for the purpose of amendment, and is subject to amendment in two degrees.

An amendment to the substitute, as also an amendment to the original House text, would be in the first degree only, and each would be subject to amendment in one further degree.

Amendments to the original House text, or to an amendment thereto, would have precedence, under rule XVIII, over an amendment to the substitute or an amendment thereto.

All amendments to the committee substitute or to the original House text, and amendments to each thereof, would have precedence over a vote on the committee substitute.



Mr. GEORGE. Mr. President, I shall ask the indulgence of the Senate that I not be interrupted in the course of what I hope will be a relatively brief statement on the bill. When I have finished, I shall be happy to answer, or to try to answer, any questions which may be asked.

Mr. President, the bill before the Senate is H. R. 11356. It is the Mutual Security Act of 1956, and is cast in the form of an amendment to the basic legislation—the Mutual Security Act of 1954. The House has so treated the bill, and it has been treated in the same way by the Senate Committee.

#### DIFFERENCES FROM HOUSE VERSION

By way of introduction I may say that the differences between the bill as passed by the House of Representatives and the bill reported to the Senate by the Committee on Foreign Relations, are relatively few in number, but are of substantial importance.

The most important differences between the House version and the Senate version of the bill concern the sums of money which are authorized to be appropriated. In general terms the differences with respect to the sums in the two versions are as follows:

The President asked the Congress to authorize this year the appropriation of not to exceed \$4.7 billion. The House of Representatives reduced that authorization to \$3.6 billion—a cut in the President's request of about 20 percent, or a little over \$1.1 billion. The Committee on Foreign Relations recommends that the Senate authorize the appropriation of not to exceed \$4.3 billion, which is a restoration of some \$703 million in the direction of the President's request.

I may say at this point that \$100 million of that authorization results from striking out a provision in the House bill which would have repealed a portion of the act of 1954, which authorized an appropriation to the President for Asian economic development of \$200 million over a 3-year period. The Senate committee simply struck out the repeal of that section, which had the effect of raising the authorization recommended by the Senate committee by \$703 million in the direction of the President's request.

Continuing, in general terms, the Committee on Foreign Relations restored a total of \$600 million to the military-assistance figure, which had been reduced by \$1 billion by the House. Not only did we do that but we struck out a provision in the House bill which would have been disastrous had it become a part of the law, in that it undertook to limit to only \$402 million the military assistance to all the NATO countries, that is to say, all the countries in the North Atlantic Treaty Organization. But moneywise the Senate committee simply restored \$600 million of the military-assistance figure for all areas of the world where we give assistance. We restored \$600 million of the \$1 billion reduction made by the House. The Senate committee restored a little more than \$100 million of the cut in economic funds which had been made by the other House, principally in the way I have already

described, by striking out a House provision repealing section 418 in the 1954 act.

I cite these figures to give the Senate a picture of the magnitude of the program we are discussing. Members who wish to explore in greater detail the sums authorized may examine the report of the committee. That report, to the extent practicable, spells out, country by country, the sums covered by the programs contemplated by this proposed legislation.

We have made the report as full as we reasonably could, in view of restrictions and the secrecy imposed with respect to certain items, which we had to consider. There is in the office of the committee, in this building, a report which any Member of the Senate may see. The committee staff is on the floor and will remain on the floor during the consideration of the bill, and will be pleased to give to any Member of the Senate any information he may wish.

I regret very much that in matters of this kind it is not advisable to make a full report of all the information which comes to the committee. I think it will be appreciated that much information comes to us on a confidential basis, and must remain so, because to divulge it would occasion us very much greater harm and cause very many more difficulties than we would otherwise have.

When Members of the Senate examine the committee report, however, they will find that precise figures on the amount of military assistance to be provided for particular countries are not given in detail. Generally speaking, they are given by regions. The reason, as I have already indicated, is obvious. It would not be in the national interest, in the opinion of the administrators, publicly to debate the amounts for military aid which have been planned for particular countries. I again remind the Senate, however, that the members of the staff are available, and will remain available during the entire consideration of the bill.

Members of the Senate will also find, when they consult the committee report, that the amount of economic assistance planned for certain countries is not listed. Again, the reason for omitting this information from the report is that a public listing of the amounts planned would invite debate which would not be in the national interest. This information, country by country, is also available to Members of the Senate on the same basis I have stated with reference to the military-aid figures. Sums for particular countries are not given, and the committee has followed the usual course in connection with mutual security legislation from the beginning, of omitting particular amounts for certain countries, for very obvious reasons. If a particular amount is given for country A, country A somehow concludes that it has a vested right in that recommendation, and it will, of course, arouse invidious comparisons by other countries, which think they ought to have a larger sum or a different sum from the amount specified for country A. At any rate, from the beginning of legislation of this

kind, we have tried to omit lists of particular countries or specific amounts for economic or any other form of aid authorized by the legislation.

There is no place in the Senate's participation in foreign policy for it to become the focal point of the petitions of representatives, official and nonofficial, of foreign nations.

No foreign nation should be given assistance under this program merely because it has lobbyists in the United States. Our assistance must be conditioned, not by outside pressures, but by the needs of this nation as a whole—needs which are to be measured by the national interest, and by the national interest almost exclusively. It is exceedingly bad practice to single out individual countries in this kind of legislation, a point which I have already tried to stress.

To turn my attention now to some more general features of the problem before the Senate in considering this proposed legislation, there has been a great misunderstanding about the nature of the mutual-security program. Some people talk in terms of giveaway and foreign ratholes. Strangely enough, Mr. President, it is these very individuals taken as a whole and as a rule who say they are most concerned with the Communist threat. How that conclusion can be entirely logical is a bit beyond me, unless one has a doubt about the entire method and the entire program of foreign assistance. It is difficult for me to understand the reasoning behind much of that opposition, because a large share of the funds are for the purpose of building military forces which oppose communism. Other sizable sums are to be used to help foreign countries remain independent and non-Communist.

Let us take a look at this bill. Of the \$4.3 billion it authorizes—and let it always be born in mind that the items in the bill authorize not to exceed a given sum, and that it is wholly within the prerogative and power and right of the Appropriations Committees of both Houses to say what the amount shall be, only that the amount cannot exceed the amount authorized by the bill—\$2.5 billion of the total amount is for direct military assistance to allies, an additional \$1.1 billion is for economic assistance to countries that are maintaining larger armed forces than they would otherwise be able to maintain, and the balance is for development assistance, for technical assistance, and for such special programs as the United Nations Children's Fund, the program to help escapees from the Iron Curtain, and so forth. Of the development assistance funds, which total \$243 million, 75 percent are required to be in the form of loans, except for those portions administered in connection with the disposition of agricultural surpluses or through regional programs.

Those who object to the \$2.5 billion this year for military assistance should take a very close look at what it does.

#### IMPORTANCE OF MILITARY ASSISTANCE IN ASIA

In Turkey, for example, it helps to maintain more divisions in being than we have in the United States.



In Korea the sums available are helping to maintain more divisions of Korean troops—battle-trying troops who, in most cases, face the Communists to the north—than we have in the United States.

In Formosa, in Pakistan, on the southern border of the Soviet Union, and at other critical points throughout the world we are helping to support in varying degrees a total of over 200 divisions, 2,000 naval ships, and 300 air squadrons.

It may be true that they are not all strictly modern, as we evaluate military arms, but they all have a value. It may be true that in many instances these divisions are furnished by small nations. But I may say that when the chips are down, Mr. President, small nations may be of very great consequence to the large nations of the earth.

With respect to our military assistance to the countries of the Far East and Asia, we must remember that most of them would not be able to maintain these forces without our help. They are not rich countries. But they have spirit and manpower. They are willing to defend themselves. It is in our national interest that these nations, if attacked, be in a position to slow or to stop the enemy. That is why we give them help. We give them help because if we did not, more of our own men would need to be under arms in far distant stations.

We give them help because if we did not there would be a standing invitation to the Communists to move into the defenseless vacuums that would exist.

#### IMPORTANCE OF NATO

The military assistance which this bill authorizes for Western Europe is in a lesser magnitude than that which we intend to supply for the Far East and Asia. But it is just as important in a slightly different way.

Most of these European countries are now economically able to support reasonably adequate armed forces of their own. Take the United Kingdom, for example. No military aid is planned this year for that nation. It maintains its own great navy and its own great air force. It has its own supplies of atomic weapons. Granted we helped them after the war to reestablish their military strength. But let us never forget that for 2 years prior to the attack on Pearl Harbor, the United Kingdom stood virtually alone against the forces of totalitarianism, protecting the heritage of freemen.

This bill does carry funds for assistance to other Allies in the North Atlantic Treaty Organization. We know that we would stand together in the face of attack. They know, and we know, that we would need bases in their countries from which to launch a counterattack in the event the Soviet should risk the use of military means to achieve its ends.

It may be said that some of these nations would not stand with us, and someone may point to little Iceland, which yesterday or the day before had an election in which perhaps the majority of the votes cast indicate a sentiment in favor of inviting our armed servicemen to leave Iceland. That is quite natural, inasmuch as against the background of the whole population of Iceland, the number of

American troops in that country is exactly in the proportion of 6 million foreign troops on our soil as against our population of 160 or 165 million. So, very naturally, a large foreign force may easily become offensive to a small country like Iceland. Moreover, Iceland has not yet finally determined what course she will take.

In the course of the debate someone is likely to say that France has withdrawn many of her troops and transported them to Algeria, there to fight her battles. Perhaps not so many French soldiers as one might think have been sent to Algeria or elsewhere, and perhaps none of the weapons sent there have been other than conventional arms; but that situation will make little difference to those who wish to criticize France. That nation unquestionably faces some very difficult problems at this time. Nevertheless, there is nothing to indicate that we could not rely upon the support of the French people in the NATO organization if we were faced with actual aggression.

One thing I know, Mr. President, is that since the organization of NATO, not a single hostile bomb has fallen upon a single American country, upon a single American city, or upon a single American home. Another thing we should know is that the NATO organization has been standing between free states of Western Europe and the Russian aggressor.

I call attention to the fact that the total NATO armed forces exceed our own. They augment our naval forces and our air forces by more than 100 percent. These nations are bound with us by the North Atlantic Treaty, in which we jointly have agreed to view an attack on any one member as an attack on all.

I do not believe that war is inevitable. I have never accepted that philosophy. On the contrary, I think it is avoidable. Indeed, there is a chance that conditions have so changed in the past year that our children may be able to avoid the horrors of another war. But they will not be able to avoid that danger if we begin in this bill to liquidate the military strength of the free world. We have so built and maintained our joint defenses that potential aggressors have been put on notice that Soviet aggression cannot lead to victory.

In good time we may be able to reduce the size of our military-assistance program, but I doubt the wisdom of such a move this year.

Yesterday the Senate said that our military power should be increased. Who is there to say that the Senate was wrong? It is true that time may prove the Senate to have been wrong, but, yet, it would not prove we had committed a mistake.

#### FUNDAMENTAL CHANGES IN SOVIET

It has seemed apparent to me for some time that substantial changes have been taking place within the Soviet Union. They may not be basic, but these changes arise from a number of factors. Important, certainly, was the death of Stalin. This event had a tremendous impact within the totalitarian state which for three decades had been conditioned to one-man rule. It was the Communist system which produced Stalin. That

system may well produce another Stalin. On the other hand, I do not yet believe we have seen the end of the Communist changes stemming from the death of Stalin.

We do know that his death has led to a committee type of dictatorship instead of a one-man dictatorship. It has led to increased demands on the part of the Russian people and the people of the satellites for more of the material things of life. A new generation is taking over from Stalin and in a few years others will succeed to power. Each of these succeeding generations will demand more good things from life than their predecessors. Each succeeding generation in Russia is better educated than the last. Education can be a good or a bad thing. I am inclined to agree with H. G. Wells, however, who wrote that "history becomes more and more a race between education and catastrophe."

But the future is not only one of darkness. There is a spark of hope for mankind that has arisen from man's understanding of the atom.

There are those who believe that the Geneva Big Four Conference of a year ago was a mistake. I do not share that belief. It is a matter of opinion. Some hold—and it is their right so to believe—that the Geneva Conference has led to a vast slackening of the will of the free world to build its defenses against atomic attack.

It has seemed to me, however, that the real achievement of the Geneva Conference was to crystallize the realization of the world that a great war would destroy the attacker as well as the defender. This tacit understanding has not been put into written words. But the fact that the understanding exists is evident by the changed tactics of the Soviet Union in the last year.

While—I repeat—the changes may not all be fundamental, they, nevertheless, are changes which I think the free world is bound to note.

While I believe during the past year that the Soviet switch from the threat of a military offensive to the threat of an economic offensive is in part attributed to this recognition of the danger of atomic destruction, it is also attributable to the fact that the free nations of the world have by their joint military strength made it clear that communism cannot be advanced by military conquest without the gravest threat to the home base of communism itself.

Certainly, our preparedness in connection with the war in Korea has played an important part in driving the Soviets to that conclusion.

It is true, however, that the Soviet by its switch from a military emphasis to an economic emphasis in its attack on freedom, has had a tendency to induce us to lower our guard. That is human nature. Unless we take care to see that the alliances we have built to oppose Communist military action are adapted to meet Communist threats on other fronts, there is danger not only that our military defense may be weakened, but that the vastly greater economic strength of free nations may be sapped by Communist-induced divisions among friends.



I hope we may not be lulled to sleep, letting our defenses fall into discard. It is in our interest to support strong regional defense groupings, especially as we have now reached the point where such important sources of military power as the United Kingdom with its great naval, air, and atomic power are able to proceed on their own without any financial assistance from the United States. In time we may be able to slacken our military assistance. But to do so now would seem to me to invite disaster.

#### REVOLUTION AGAINST HUNGER

In the world of today we must also take account of the fact that huge masses of people are determined to raise their living standards. This revolution is going on independently of the struggle against Communist imperialism. In our own interest we must be ready to help these people choose a peaceful, democratic way of advancing rather than the Communist way. The bill, therefore, contains funds to help these people move toward freedom.

#### DANGER OF REDUCED AUTHORIZATION

If our consideration of this measure follows the usual pattern, we can expect that there will be some amendments offered that will go to the substance of the bill and others that will go only to the amounts authorized to be appropriated.

The Committee on Foreign Relations has examined at length all proposed amendments that have been brought to its attention. Some of those amendments have proposed to increase funds authorized; others have proposed to decrease the funds; and yet other amendments have sought to make various other changes. The committee adopted those amendments which it considered would serve the national interest. It rejected those which a majority felt would not best serve the national interest.

Our consideration was based upon more than 1,000 pages of testimony received from the foremost authorities in our Government and from many leading private citizens. On the basis of the testimony of the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Director of the International Cooperation Administration, and numerous specialists, we have sought to balance the needs as seen by the experts with the political judgment of Senators on the committee.

Under these circumstances, it seems to me that those Members of this body who may want to alter drastically our approach to mutual security must assume the risk of drastic change. The greatest risk we face in consideration of this bill is that we may by ill-considered action sacrifice our present necessary position in world affairs.

I am very well aware that there are persons in the United States who think we do not have any obligations beyond our own shores. I can understand that there may be some in this body who entertain very much the same feeling. But I repeat that the greatest risk which we will assume in the consideration of the bill, if it be drastically changed, and if its direction be diverted, will be, not only possibly, but probably, the sacrifice

of our present necessary position of leadership in world affairs.

There are some persons in the United States who do not care whether we have any position in world affairs. I certainly am not among them, and I hope I shall never be numbered among them.

Mr. President, the sums contained in the bill are important in their own right, I think, in the sense that they are needed for the purposes for which they are provided. They might be trimmed a little here or there. But any substantial cuts in the bill will involve us in consequences more far-reaching than can be measured by a few tanks or a few aircraft.

It is a fact that the United States is in a position of leadership in the world today. I do not assert that in the sense of arrogant pride, because, in my opinion, real world leaders are people of great humility of spirit rather than of arrogant pride. Yet, although we are in a position of leadership, we did not seek it; we did not ask for it. It devolved upon us because of our geographic position, our natural wealth, our great industrial machine, and our tradition as a champion of freedom, and because of the heroism and fortitude of the men and women who from the beginning have made America.

World leadership comes only to a people who in a time of great stress have risen to the challenge of stirring times, and have assumed their responsibilities because they were elevated by the mighty impulse which comes to a free people who want to live beyond narrow selfish interests.

Is there any Member of the Senate or any person in America who thinks that the United States can abandon its responsibility of world leadership without causing the gravest consequences to humanity, ourselves included? If we do not hold the torch of leadership and carry it forward, into whose hands will it fall? What other free nation is in a position to assume the burden or to carry the burden?

I do not disparage the brave people of any other country. The brave people of many free lands would gladly bear the burden. They would stagger along under it as best they could. But if America becomes weary of well doing as the leader of freemen, nobody will be responsible but the men who make the policies of this, our American Republic.

Let no man think that he can escape the direst isolationism if world leadership falls into the hands of the Soviet groups, and if they alone shall grasp the standard. They have the ground forces; they have atomic weapons; they have nuclear weapons. They are able to take the standard of leadership and carry it. If they carry it, the United States will become the great nation of isolationism, to which some people have had a nostalgic hope of returning some time, some way, some day. If that should come to pass, let me say that we will trade, not as free agents in the world, but as traders at sufferance. We shall be doing business as tenants at sufferance all over the world that can be controlled by the Soviet group, if our position of leadership in world affairs passes away.

Mr. President, I do not want it to be said that I was one to call for an isolated America, for a Western Hemisphere fortified as a garrison, which it must inevitably become if we do not retain our position in world affairs. I want it, rather, to be said that I never advocated that position.

The simple consequence of the leadership to which I have referred is that if we should here take action which could be construed as an abandonment of our position in world affairs, if we should recklessly rip this bill of all its substance, where would the leadership go? As I have already asked, if we here should cut the assistance planned for our allies in NATO, what would our allies conclude? Would they think we mean business? In that event, Mr. President, there could be a falling away from NATO that would be truly alarming.

#### STUDY OF FOREIGN AID

Early this spring, Mr. President, I suggested that the general subject of foreign aid should be subjected to searching examination by an independent, nonpolitical group, if possible. While I shall not be in the Senate next year, and thus benefit from the advice of such a group, it seems to me that it is essential, before this body again considers the subject matter of this bill, that it have the benefit of such advice as it may be able to get.

In the past few years there has been a breakdown in the understanding of the so-called foreign-aid program. Since those days when the American people willingly gave of their goods and services, to help Europe rebuild after the war, through the Marshall plan, the Turkish aid program, and the Greece aid program, there has been a deterioration of their understanding of the need for continuation of the Mutual Assistance Program. There is a deep skepticism among many of our people. They are not convinced that it serves our national interest to supply military assistance and economic assistance to our allies in Western Europe and Asia. Many believe the funds we here authorize for help to foreign nations should better be put to use in our own Military Establishment. They are not convinced that the national interest is served by continued economic assistance to many nations and peoples who are less fortunate than we are. There are many questions in the public mind as to the way in which such assistance—if it is to be continued—should be administered to serve the national interest.

Mr. President, I do not believe we should permit such doubts at this time to destroy this program, but I do believe that a survey should be made, and that we should find a better way of administering aid. That, in my opinion, is one of the weak points of this whole program.

I would not have anyone think that the Foreign Relations Committee has been without its own doubts and has been lacking in its own effort to improve constantly the condition of the American people and the American taxpayer. I very well remember that in fiscal 1951-52, the then President of the United States asked Congress for an appro-



priation of \$8,500,000,000 for foreign aid. There were some of us who opposed that amount as being too large. We decreased the amount requested, but the actual appropriation made was \$7,300,000,000. The appropriations went down and down gradually, step by step, until last year the appropriation was only \$2,703,000,000, as I recall.

Mr. President, I very well remember that while I supported the NATO treaty, and supported it in good faith, I was called upon, within the short space of a few months, to oppose the first appropriation for NATO—the Senate at that time was sitting in the old Supreme Court chamber—because it was proposed to give to other nations some \$2 billion in money and in reconditioned arms and military equipment, without a single blueprint having been made without a single line having been struck across a single piece of paper, to indicate what would be done with the money. I knew that was unwise. I opposed it. I opposed it very strongly. I did not prevail. I recite these events for the purpose of showing that all the while there have been members of the Foreign Relations Committee who have been mindful of the burden placed upon our own people and of the desirability of lessening that burden when and if we could.

Mr. President, I do not believe we should permit our doubts, whatever they may be, to destroy the program at this time; but I do believe, that the questions in the minds of our citizens should be well and fully answered before this body is again asked to authorize the appropriation of funds for mutual security. No annual program of this size can be carried on without public acceptance by a substantial majority of our people.

As I have indicated, Mr. President, it is my belief, after careful and prolonged study of the mutual security program, that it serves the national interest of this Nation; that it serves it exactly in the same way that a strong army, a strong navy, and a strong airpower serve the national defense. It serves the national interest for exactly the same reason—because it enables us to keep more of our own manpower at work on consumer goods and on products which our people must have; and yet, in a defensive way, we have a strong position because we have air bases, and because we have foreign divisions who will fight with us. These foreign divisions have been built up and are now maintained at a cost to the American people, it is true, but, nevertheless, these forces, along with our own, are rendering a great service to our civilization, Mr. President. The American people must know that is the case.

Furthermore, there is need, in view of the changing nature of the world and the relationships of the great powers, for a reassessment of the emphasis, scope, and direction of the foreign-aid programs. Hence, early in the year I made the suggestion that a study be made; and I am happy to say the committee only recently has resolved, through the whole committee, to make a study of this problem in all of its ramifications.

Mr. President, it is my earnest hope that, despite the doubts of many Sen-

ators, all Senators will support the bill which has been reported to the floor of the Senate by the Committee on Foreign Relations, by a vote of 13 to 2. The good of our Nation will not be served by ignoring the advice of the President of the United States, the Joint Chiefs of Staff, the Secretary of State, and the other responsible officials of the executive branch, and the judgment of the members of the Foreign Relations Committee, who have thoroughly examined the measure now before the Senate.

Mr. President, whatever happens in the future, I know that the American people are not going to step backward. They may change administrations, they may change methods, and they may change whole programs; but they are not going backward, because, Mr. President, I cannot think that the divine providence which watches over all of us, and which has permitted us to become the responsible leaders of the world, would do so only to break that hope.

Whatever some may say about the low estate to which we have fallen, I know that if the free people of this globe lose confidence in us, we shall disappoint the best hopes of mankind, and we shall utterly fail to justify the sacrifices of our heroic dead, who have died in nearly all lands and have been swallowed up by the blue waters of nearly all oceans.

So, Mr. President, I submit this matter to the Senate. My colleagues on the committee will, of course, argue the matter at greater length than I have attempted to do in this statement.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 890) to extend and strengthen the Water Pollution Control Act.

#### ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 11319) making appropriations for the Tennessee Valley Authority, certain agencies of the Department of the Interior, and civil functions administered by the Department of the Army, for the fiscal year ending June 30, 1957, and for other purposes, and it was signed by the Acting President pro tempore.

#### MUTUAL SECURITY ACT OF 1956

The Senate resumed the consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. SMITH of New Jersey. Mr. President, all of us, I am sure, were deeply moved by the address of the distinguished chairman of the Foreign Relations Committee of the Senate. I know that I speak for all of my colleagues when I say that it is a great sorrow to all of us that he will not continue to be our chairman after this year. The service

he has rendered and the inspiration he has given have made it a privilege to serve with him. I wish to pay him this personal tribute of affection before I continue the discussion of the pending bill.

Mr. President, my colleague, the distinguished Senator from Georgia, chairman of the Foreign Relations Committee, has given us a complete outline of the purposes of the pending Mutual Security Act of 1956, including the overall total authorization figures which the committee recommends in its report.

In opening my remarks to supplement those of the distinguished Senator from Georgia, I wish to emphasize, first, that this is an authorization bill as distinguished from an appropriation bill, and, second, that it is not a foreign-aid bill as is so popularly believed but rather a bill to insure the security of the United States, and every one of us, as well as our families.

What we do in this bill is to authorize the appropriation of funds to be available to the President to protect our security in case of any emergency that may arise in any part of the world.

The proposed cut of \$1,100,000,000 in the bill passed by the House is practically entirely a cut in the military authorization requested by the administration and the President himself. No one can deny that our great President is probably the most preeminently qualified person, due to his long career as a military man, to determine where the danger spots in the world are and what precautions we should take to prevent those danger spots from becoming enormous worldwide conflagrations which would inevitably threaten the security of the United States.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I respectfully ask that I not be interrupted. I have a continuous presentation. I shall be glad to remain indefinitely to answer questions after I have concluded, but I prefer not to be interrupted while I am presenting this statement.

No one can deny that President Eisenhower is probably the most eminently qualified person, because of his long career as a military man, to determine where the danger spots in the world are at the present time, and what precautions we should take to prevent those danger spots from becoming enormous, worldwide conflagrations which would inevitably threaten the security of the United States. I emphasize that we are seeking an authorization for the President to enable him to watch for the danger spots, and to act when he needs to act to protect us all.

The President is supported in his conclusions and recommendations by the National Security Council, his close advisory body, but especially by the Joint Chiefs of Staff, and Admiral Radford, who is Chairman of the the Joint Chiefs of Staff. Also as far as West Europe, which means NATO, is concerned, we have the strong testimony of General Gruenther, who has been in charge of the NATO organization, and who urges that the figures contained in the bill reported by the Senate commit-



tee be not reduced any further. The figures we have arrived at are the figures which the administrators feel they can live with.

This leads me to a consideration of the main objectives of our present foreign policy, as they are related to the bill now before the Senate.

#### AMERICAN FOREIGN POLICY

Starting with the Democratic Truman administration after World War II and continuing through the Republican Eisenhower administration, we find that our foreign policy has been guided by two main considerations.

A. Military strength to deter aggression anywhere in the world. This is particularly true in an atomic age when a sudden attack with hydrogen bombs might destroy our entire civilization. This is what I have called the negative approach to our policy—the approach which might be paraphrased by the words “Thou shalt not.” We must continue to develop this approach if we are to preserve our existence as a nation.

B. The other approach to which I wish to call attention, which is also a vital part of our foreign policy, and which is reflected in the bill, is our partnership aid to other peoples of the world. This is our positive program of international understanding. It involves the economic buildup of free peoples in a free world so as to insure peace and also to insure the security of the United States. It involves the overall conception of good will between peoples, which includes legitimate trade and international intercourse.

#### DEFINITIVE ACTION WE HAVE TAKEN TO IMPLEMENT OUR POLICY

Our foreign policy has grown out of our experience in World Wars I and II and the realization that we are living in a smaller world than heretofore and that the concern of any part of the world is the concern of every other part. Isolationism is no longer possible, as it was in the early days of our Republic. Let me consider briefly what steps we have taken to implement our policy of building strength to deter aggression.

##### A. STRENGTH TO DETER AGGRESSION

After both World Wars I and II we endeavored to find some way by which the collective strength of the world might be mobilized to prevent aggression and to prevent the use of war as an instrument of national policy. We recall, of course, the experiments of the League of Nations and its failures, and we also recall the building up of the United Nations as the successor of the League of Nations, and our hopes that this might be a means by which we could prevent the use of force. In spite of all the promise for positive accomplishments by the United Nations, and in spite of its important contributions, there remains a fatal weakness which has been difficult for us to overcome.

Mr. President, I may say parenthetically at this point that I recall vividly, when we voted to set up the United Nations, the thrill I felt on realizing that it represented a great step toward collective action to prevent future war. But we are experiencing a profound feeling

of sadness today that our hopes of that time have been temporarily sidetracked by Russian obstinacy.

The weakness in the U. N. has been the subtle and treacherous planning by Soviet Russia to obstruct any sincere efforts to obtain world peace. Russia was determined to follow the plan of divide and conquer. We found that Russia would obstruct every effort we made, as illustrated by the original Marshall plan, to bring recovery to a war-weary world. Russian obstructionism soon made us aware that we were dealing with a plan to overcome the world either by force of arms or by economic and political penetration. The Security Council of the United Nations became ineffective because of Russia's consistent use of the veto. Aggression which the free world desired to stop through the U. N. was permitted because of Russia's obstructionism.

We finally resorted to article 51 of the U. N. Charter, which permits and encourages within the U. N. the setting up of regional pacts by groups of nations for self-defense. This became a necessary method of security. It was part of the whole program of strength to deter aggression, and its operations are illustrated by NATO, the North Atlantic Treaty Organization of Western Europe plus the United States; by the Rio Pact, which covers our Western Hemisphere; by the Southeast Asian Treaty Organization, SEATO, which covers Southeast Asia; by the so-called ANZUS Pact, which covers Australia, New Zealand, and the United States; by a number of bilateral pacts, particularly in the Far East, such as the pacts between the United States and Japan, the United States and the Philippines, the United States and Korea, and the United States and Nationalist China.

The so-called Baghdad Pact which has our full approval and support, should also be included, although we have not joined this pact because of certain sensitive situations in the area. The Baghdad Pact members are Turkey, Pakistan, Iran, Iraq, and Great Britain.

##### B. THE NONMILITARY BUILDUP OF FREE PEOPLES

Having reviewed the ways in which we have tried to build the strength against aggression which we feel we need for our own protection and for the security of the world, let me now consider the positive part of our policy—the nonmilitary buildup of free peoples.

The inception of this approach is what has come to be known as the Marshall plan for the economic recovery of Western Europe. We first had the ECA, which was purely economic and which was eminently successful in solving the problem of West Europe's dollar shortage and starting West Europe on the road to economic recovery. This economic program was of limited duration, and there has been criticism because when the first phase was terminated we found it necessary to extend military assistance to Western European countries to assist them to maintain their independence.

I recall very well that I was one of those who had said that after 3 years of the Marshall plan we would end the

program. I was sincerely hopeful that we could do it. However, there then came the Russian threats. Although we did end the economic part of the aid, we were compelled to organize further, through NATO, in order to protect the European countries against aggression. The original economic aid took on the military aspect because of the threat of Russian Communist aggression. This led to the buildup of NATO becoming an essential part of the double program. When Russia saw a barrier being built up against any possible military aggression in Western Europe, what did she do? She turned her attention to other parts of the world. This led to such outbreaks as the Korean aggression, which challenged the U. N.

Our experience in meeting this aggression in Korea led us to realize clearly once again that the objective of Soviet Russia was to take over the world. The free world was now threatened by the back-door approach through Asia. We saw the threat to the last stronghold of free China, namely, Formosa, by the buildup of Red China, which had been subtly conquered by subversive tactics and treacherous movements. We began to realize that the millions in overpopulated Asia who for centuries had been subject to some form of imperialism, or colonialism, were presently to become engulfed in a new form of colonialism, namely, Soviet totalitarianism.

We were challenged—and I wish to emphasize this point—with the fundamental issue of whether we would let these billions of people slide behind the Iron Curtain and lose all in the wake of what had been done in China, or, in the alternative, whether we would offer to those stricken and underdeveloped peoples the opportunity to obtain the freedom, independence, and self-determination for which they were fundamentally yearning. In my personal trips to the Far East and after talking to the leadership in practically all of the underdeveloped countries in the area, I personally became convinced that the best hope for world peace lay in endeavoring to understand this turmoil and to help these people to find the freedom from external control which they so longed for.

Under President Truman's point 4 program, and more recently under the wise and guiding policy of President Eisenhower and Secretary Dulles, we have been experimenting with the kind of help that would be most appropriate to attain these objectives.

Many mistakes have been made, including many false starts, but the pattern is resolving itself into the kind of legislation that has appeared in the mutual security programs of recent years, known popularly as our foreign aid programs.

Briefly defined, as I stated above, this means that there are two parts to our present program:

First. Military security pacts, which I have described above, and the strengthening of our military position throughout the world by air bases, and so forth, which we have discussed during the past few days. This is what I have called the negative defensive aspect.



Second. The nonmilitary, namely, the buildup of underdeveloped countries and our attempt to help them attain their freedom, independence, and self-determination, so that they may become equal partners in a free world. This is the positive aspect of our assistance program.

Both of these aspects, the military and the nonmilitary, are provided for by the bill which we are asking the Senate to support.

Now let me get to the bill itself, the Mutual Security Act of 1956.

#### THE MUTUAL SECURITY ACT OF 1956

This bill involves our consideration of the dollar authorizations for the fiscal year 1957. At this point I desire to urge upon my colleagues the importance of carefully studying the report of the committee, which explains the present evolution of our foreign policy and presents the dollar issues involved. I call attention particularly to page 2 of the report, which sets forth in parallel columns the original request of the administration, the action by the House, and the recommendation of our Senate Foreign Relations Committee. Let me analyze these figures briefly.

I am comparing now the administration request, the House action, and the recommendations of the Senate Foreign Relations Committee.

The administration request was for a total of \$4,672,475,000, of which the military request was \$2,925,000,000 and the nonmilitary request was \$1,747,475,000.

The House action provided a total authorization of \$3,567,475,000, of which the military authorization was \$1,925,000,000 and the nonmilitary authorization was \$1,642,475,000.

The Senate Foreign Relations Committee recommended a total authorization of \$4,270,075,000, of which the military authorization is \$2,525,000,000 and the nonmilitary authorization is \$1,745,075,000.

This means that the House in its action cut the military part—I emphasize the military part—of the program \$1 billion. The Senate committee cut the military part of the program \$400 million. In other words, the committee restored \$600 million of the total House military cut.

The House cut the nonmilitary part of the program by approximately \$100 million, but the Senate committee recommended substantially the same amount as the administration requested for the nonmilitary part of the program.

#### THE WORLDWIDE MILITARY PICTURE

This is what I have defined above as the first part of our overall foreign program and it involves the issues of adequate defenses to deter aggression.

In the program, as General Gruenther and Admiral Radford pointed out, it is necessary to bring the armed forces of the Western Powers up to date in the strenuous world competition. This applies especially to the NATO countries, accounting for \$530 million of the total. There are certain critical danger spots in the Far East. With these I am very familiar because I have studied them during the past 8 or 10 years.

In the military part of the bill, as I have stated before, the Defense Department and the President feel that we will

need authorization for \$2.52 billion as in the Senate version of the bill. If we cut an additional \$600 million below this amount as the House did, this cut must be made somewhere.

Let me analyze the situation. As I see it, there are certain "must" priorities in this military program:

(a) The program calls for \$530 million in so-called advance weapons to bring the armed forces of the Western Powers up to date in the strenuous world competition. This applies especially to NATO countries.

(b) There are certain critical danger spots in the Far East.

These are:

First. South Korea, where there is an uncertain armistice which is being constantly violated by the Communists and especially the Red Chinese in North Korea.

As we all know, we have withdrawn our own troops from South Korea. We have there a military assistance group to train the South Koreans. They are prepared to defend their own homeland if it should be further attacked, and they will bear the burden of any attack which may come.

Second. The Formosa area, where there has been an enormous buildup of Red Chinese strength opposite Formosa and immediately threatening the offshore islands of Quemoy and Matsu. This is the area covered by the Formosa resolution of last year.

Third. Vietnam and the overall Indochina area: Here again is an uncertain armistice line and free Vietnam is constantly threatened by the Viet Minh which is supported by Red China and Russia and which threatens to take over all of Vietnam as well as Laos and Cambodia.

The amounts which are contemplated to be set aside for these three critical areas are strictly classified for security reasons. I may say to my colleagues however, that these amounts and the amounts privately earmarked for other countries of the world, while classified, are of course available to any Member of the Senate in the office of the Foreign Relations Committee.

It is estimated that these critical areas of the Far East, including Pakistan, are so demanding on our resources to keep alive and effective the manpower defending the front in these areas that any reduction in these funds might well require a complete change in our Far Eastern military policy.

If at this time we should say that we will do less for NATO, we would be giving notice that we are withdrawing from our responsibilities. It might appear that we were failing our allies at this time. As I have analyzed the figures, if we give priorities to the Far East, we will have to take any reductions out of the NATO figures.

Let me emphasize here that it is native Koreans who have been trained into an effective army in South Korea. It is native Chinese who have been trained for an effective defensive army in Formosa and it is native Vietnamese who have been trained to defend their homeland in Vietnam. Our boys are not now involved. It is in the interest of our own

security that we furnish the necessary resources to maintain these armies that are in the field and which are being trained by the United States in these areas.

The same is true of NATO. Admiral Radford and General Gruenther both point out that to maintain the military strength of NATO and possibly even its very existence it will be necessary for us to continue to support the assistance program which is recommended. Two billion fifty-two million dollars is the lowest figure that our military experts, including the President, feel we must authorize if we are not going to be compelled to revise our worldwide military program. Let me digress a moment to compare this military end of the pending bill and even the overall figures for the entire mutual-security program with our total defense budget that we have just approved our appropriation for in the Senate. As I said above, the military end of the bill is \$2.52 billion. The overall figure for the entire program, both military and nonmilitary, is \$4.27 billion. The total defense budget is over \$35 billion, plus the additional billion dollars we voted for airpower.

It is obvious that the foreign military support which our present policy calls for is a relatively small percentage of the overall total of our defense program. It is estimated that our foreign military support—that is, the \$2.52-billion Senate version—probably saves us at least 2 or 3 times what the cost to us would be without this foreign cooperation. On page 12 of the report there appears a chart which shows the relative contribution of the European NATO countries to NATO defenses and the United States contribution to NATO for the years 1950 to 1955, inclusive.

I invite especial attention to that, because it has been charged that we are carrying the load for the NATO countries. That is not true. The bulk of the expenses are carried by the countries with whom we are trying to work.

My conclusion on this part of the bill, therefore, is that it is vitally important for us to help to develop foreign security alliances and foreign manpower to aid in the defense of the free world. The expense is stupendous, I admit, even though it is but a small percentage of our overall defense picture. But the alternative seems to be a complete withdrawal from all security pacts and again a return to isolationism in the Western Hemisphere.

My colleague, the distinguished Senator from Georgia [Mr. GEORGE], pointed out most eloquently what it would mean if we had to withdraw from the world and to leave the world outside our own hemisphere to Soviet Russia. This, to me, is unthinkable in this modern age of hydrogen bombs.

I turn, now, to the nonmilitary side of the bill and what its provisions entail.

This is what I call the positive approach to our foreign policy. So far as the amounts involved are concerned, the differences are relatively small. The administration request is for \$1.74 billion plus. The House bill calls for \$1.64 billion plus and the Senate committee recommendation calls for \$1.74 billion



plus. The Senate recommendation is, therefore, approximately the same as the administration's request. The House, on the other hand, deducted from the administration's request approximately \$100 million beyond that figure, which, as I say, is relatively small compared with the \$35 billion appropriated yesterday for our overall defense at home.

A question may arise as to whether this nonmilitary assistance is justified at all.

The Marshall plan countries, as the Senator from Georgia has pointed out, have, generally speaking, made such advances in their economic recovery that they need no economic aid from us this year. We provided them with such aid when they needed it; and although their political recovery is not clear, their economic recovery is. The main economic problem is in the underdeveloped areas of the world, especially in the Far East and the Middle East, in Africa, and, to some degree, South America.

Let me emphasize why I believe a nonmilitary aid program should have our support. I myself feel that this should be continuing support, as the President has requested. This does not mean continuing substantial grants, but, as the Senate bill contemplates, it means support in the way of loans, so as to help these people to solve their economic problems. We should give evidence that we are willing to assist these countries to be free and independent, and especially to help them to determine their own future destinies. To sum up briefly my position on this matter, I submit the following:

First, this partnership policy supplements military preparedness and collective security.

Second, it must have a more human and more universal objective than merely the prevention of the spread of communism. I wish to emphasize that we must aim to do more than merely to prevent the spread of communism. We must have a broader approach. We must determine how people can be brought into friendly relationships and thus, ultimately, to bring about world peace.

Third, our primary nonmilitary objective should be as friendly partners, to help fulfill the aspirations of people in the underdeveloped countries for freedom, independence, and self-determination, and higher standards of living. This does not require large dollar hand-outs, but loans and technical assistance.

If we could only get away from the need for military expenditures, we would be amazed at the ranges of assistance and the ranges of human understanding which could be opened up by simply helping many of these people to raise their standards of living, and to become self-sufficient members of the free world.

Fourth, if we can do this effectively, we can meet the threat of communism with its recent "smiling" promises. Bulganin and Khrushchev have recognized clearly what we have been doing. Now they are offering inducements from their own standpoint which they think will lure those people into the Soviet field.

Fifth, from my personal experience the people in these so-called underdeveloped countries are yearning to break away from the old imperialism and

colonialism, and to be recognized as free and independent, without any form of external control.

Sixth, they are eager to learn the know-how of real government of the people, by the people, and for the people.

Seventh, stated in another way, our primary nonmilitary objective might well be human, man-to-man contact with peoples who really wish to be free and who wish to know what brought freedom and liberty to the people of the United States.

Let me add that our own security will only be assured and the world can only be at peace if we do our part in helping to raise the standard of living in Asia, Africa, and Latin America.

So I find myself in entire accord with the inspiring and noble words of my colleague, the Senator from Georgia. From my own experience of 10 years on the Committee on Foreign Relations, and from my trips to Europe and, especially, to the Far East, I have observed at first hand the yearning for freedom and independence which those people legitimately have.

Our ancestors came to this country because they sought to be free. They realized the possibilities of men being free. They realized the possibilities of releasing the creative energies of mankind, in order that mankind might express itself with the deepest emotions of the human spirit. Our ancestors realized that there is a God who is directing the destinies of His people. They realized that this Nation had been blessed by Almighty God. Our forefathers were blessed with the ideal of bringing to the people of the world a new conception of life, a conception never before known.

We have demonstrated by our freedom and our institutions of self-government that man can be protected against the encroachment of totalitarianism and dictatorship, and can be protected, really, against himself.

It seems to me that we are justified in continuing the policy which has evolved from our experience since World War II into a program, first, of strength against possible destruction, and second, of maintaining and improving our relationships with the people of the other countries of the world, so as to afford them the opportunity to secure for themselves the greatest blessings which we in America have enjoyed. I believe that is, for us, both a responsibility and an opportunity.

It is my sincere hope that the United States Senate will pass the bill as reported by the committee, and will support the authorizations which the committee, after a careful study of all the figures and facts presented to it, has seen fit to include in the bill.

#### DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1957— CONFERENCE REPORT

Mr. HILL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Sen-

ate to the bill (H. R. 9720) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 25, 1956, p. 9851, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HILL. Mr. President, as was announced by the clerk of the Senate, the report was signed by all the conferees on the part of the Senate, both the majority and the minority, and is now before the Senate.

This bill, H. R. 9720, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1957, as it passed the Senate was for \$2,372,523,281, an increase of \$75,541,500 over the House allowance, and \$8,637,881 over the budget estimates.

The bill as it is now before us following the House adoption of the conference report and its acceptance of the Senate amendments affecting the National Institutes of Health, reported in disagreement, carries a total of \$2,366,380,781, a decrease of \$6,142,500 under the Senate allowance, an increase of \$69,399,000 over the House allowance, and \$2,495,381 over the budget estimates.

Amendment No. 3 provided for an increase of \$48,500 for the Bureau of Labor Standards, with respect to which the report, No. 2093, had this comment from our committee:

The Bureau has developed, the committee was advised, in the current year a model workmen's compensation law and circulated this draft among the States last November. There has been sufficient time to conclude this project, and the Department should finalize its conclusions based upon the work heretofore done and with funds heretofore provided, and make a report to the Congress.

The Senate conferees in receding from the action of the Senate increasing the funds \$48,500 did not retreat from the position taken by the committee as set forth in the report just quoted, and the Department is expected to bring to a termination work on the model workmen's compensation law. As is pointed out in the report, sufficient time has elapsed for the exchange of views between the Department and the States with respect to the model law circulated last November and the committee contemplates the termination of the work on this particular project within a very short time.

The Senate had provided an increase of \$313,000 for the Bureau of Labor Statistics to allow the full budget estimate of \$7 million. In conference the managers on the part of the Senate were forced to compromise and accept \$200,000, of which \$150,000 may be used for a special survey of wages and hours in the



be passed this afternoon. It extends the time for completing the work on a certain class of uranium claims, under a bill passed last August by the Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for an extension of the time during which annual assessment work on unpatented mining claims validated under section 2 of the act of August 11, 1955, may be made, and for other purposes."

#### LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, today the majority policy committee considered approximately 50 bills and other measures now on the calendar, and cleared them for consideration by the Senate, to be called up or brought up by motion at the discretion of the majority leader. They are as follows:

Calendar No. 235, S. 300, Fryingpan-Arkansas project.

Calendar No. 2045, Senate Resolution 250, limiting the number of sponsors on Senate legislation.

Calendar No. 2135, S. 374, extending the statute of limitations for false statements by Government employees.

Calendar No. 2140, S. 3617, permitting State laws to be effective in the fields of subversion and sedition.

Calendar No. 2156, H. R. 7225, Social Security Act amendments.

Calendar No. 2163, House Joint Resolution 501, authorizing United States participation in NATO parliamentary conferences.

Calendar No. 2168, H. R. 10285, to merge production-credit corporations into farm Federal intermediate-credit banks.

Calendar No. 2252, S. 3143, establishing rules of interpretation for questions arising in the field of Federal-State concurrent jurisdiction legislation.

Calendar No. 2256, H. R. 9842, authorizing the Postmaster General to impound certain obscene mail for temporary periods.

Calendar No. 2284, S. 3704, authorizing the purchase of land for an extension of the new Senate Office Building.

Calendar No. 2298, S. 1333, Hells Canyon Dam project.

Calendar No. 1511, H. R. 3653, amending the Tariff Act with respect to amorphous graphite.

Calendar No. 1987, S. 3457, transferring certain land to Pierce County, Wash.

Calendar No. 2039, S. 3449, airlines capital-gains bill.

Calendar No. 2285, S. 3743, adding certain land to the Lassen Volcanic National Park in California.

Calendar No. 2021, S. 1907, declaring certain lands to be held in trust for Indians in New Mexico.

Calendar No. 2292, H. R. 10230, increasing the minor coinage revolving fund.

Calendar No. 2295, Senate Concurrent Resolution 79, reprinting a handbook for Americans.

Calendar No. 2297, Senate Joint Resolution 165, relinquishing consular jurisdiction in Morocco.

Calendar No. 2299, H. R. 5256, providing for redemption of migratory-bird hunting stamps.

Calendar No. 2302, H. R. 9828, transferring certain lands to the Kanosh Indians, in Utah.

Calendar No. 2304, S. 3665, permitting homesteaders to make single final proof in Alaska prior to survey.

Calendar No. 2305, H. R. 8552, granting certain easements to Chincoteague, Va.

Calendar No. 2306, H. R. 5657, permitting certain land in Florida to be used for civil-defense purposes.

Calendar No. 2307, S. 976, conveys certain land to the city of Montgomery, W. Va.

Calendar No. 2308, S. 3404, conveys certain land to Virginia.

Calendar No. 2309, S. 3998, to develop a Federal fish hatchery in Vermont.

Calendar No. 2310, S. 1384, providing for the return of certain mineral interests in land acquired for flood-control purposes.

Calendar No. 2311, H. R. 9952, providing lump-sum readjustment payments for involuntarily separated reservists.

Calendar No. 2312, S. 3820, increasing the borrowing power of the Commodity Credit Corporation.

Calendar No. 2313, S. 3003, amending the Agricultural Trade Development and Assistance Act.

Calendar No. 2314, S. 2634, amending the laws governing highway post-office service.

Calendar No. 2315, H. R. 10766, authorizing payment of compensation for certain war damages.

Calendar No. 2316, S. 4011, authorizing the creation of a Coast Guard supply fund.

Calendar No. 2317, H. R. 4652, authorizing conveyance of certain lighthouses to the Panama Canal Company.

Calendar No. 2318, H. R. 5147, increasing congressional distribution of coast and geodetic survey charts.

Calendar No. 2319, H. R. 6245, authorizing Panama Canal Company to convey certain land to the State Department.

Calendar No. 2320, H. R. 6850, creating an academic advisory board for the Merchant Marine Academy.

Calendar No. 2323, Senate Joint Resolution 139, providing for a Commission to Commemorate the 50th Anniversary of the First Conference of State Governors.

Calendar No. 2324, S. 1087, authorizing aftercare payments for juvenile prisoners.

Calendar No. 2374, S. 2017, to prohibit the misuse by collecting agencies of Federal agency names and insignia.

Calendar No. 2375, S. 2891, to prohibit the use of the initials "U. S." by certain business firms.

Calendar No. 2388, H. R. 9893, military-construction bill.

I wish to have that statement printed at this point in the RECORD, so that all Senators, may be on notice that these

measures have been considered by the majority policy committee, and that the leadership expects to bring them up by motion at the conclusion of the unfinished business and during next week.

I desire to announce again that next week the Senate will not be in session on Wednesday, but will be in session on Monday and Tuesday. Although we do not anticipate that there will be a great deal of controversial proposed legislation before us, there may be yea-and-nay votes on Monday, Tuesday, Thursday, or Friday of next week.

#### PROTECTION OF CERTAIN PROPERTY OUTSIDE THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER (Mr. Corron in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1275) to authorize the Commissioners of the District of Columbia to designate employees of the District to protect life and property in and on the buildings and grounds of any institution located upon property outside of the District of Columbia acquired by the United States for District sanatoriums, hospitals, training schools, and other institutions, which were on page 2, line 3, after "jail", to insert "": *Provided*, That such employee shall be bonded for the faithful discharge of such duties, and the Commissioners of the District of Columbia shall fix the penalty of any such bond"; and on page 2, line 17, after "weapons", to insert "and shall wear such uniform with such identification badge."

Mr. McNAMARA. Mr. President, I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

#### MUTUAL SECURITY ACT OF 1956

The Senate resumed the consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. GREEN. Mr. President, having been in almost constant attendance during the past 9 weeks while the Committee on Foreign Relations compiled a hearing record of more than 1,000 pages in connection with its consideration of the Mutual Security Act of 1956, I propose to address myself briefly to some aspects of the pending legislation.

Most of the testimony received by the committee was presented by representatives of the Department of State, the International Cooperation Administration, and the Department of Defense. In addition, the committee received the testimony of all those individual Americans and representatives of various private organizations who asked to be heard either in support of, or in opposition to, the President's proposals.

On the basis of all this voluminous testimony, I have come to the conclusion that the bill reported by the Committee on Foreign Relations should be supported. An appraisal of my past record



in the Senate will reveal that I have generally supported the foreign aid bills of both Democratic and Republican administrations, and yet I have reached the conclusion to support this year's bill both in the committee and on the floor, only after a good deal of soul-searching.

In the past my decisions have frequently been based on the assumption that the thousands of State Department, International Cooperation Administration, and Defense Department officials abroad have been in a position to give the President and the Secretary of State the kind of information and advice they need to formulate a foreign policy calculated to advance consistently the interests of the United States.

In short, it has been my theory in the field of foreign policy that, if in doubt, I should support the President. I shall do so this year, as I have done in the past.

I cannot let the record rest there, however, because I must express my candid view that this year my doubts are greater than ever before. The coherence and rationality of the program are so open to question that I am close to the border of opposition. So that the record may be clear, I wish to indicate some of the reasons why I have been greatly concerned with foreign policy developments during the past year.

At the committee hearings on the pending legislation, I asked witnesses time after time to define the terms they used so freely, and I am sure there have been occasions when I have pushed my questions to the point where some witnesses may have wished I would stop my questioning.

In insisting that such terms as "defense support," "economic development," "long-term commitments," "flexibility," and others should be clearly defined, it was my purpose to find out if the witnesses had thought through their testimony. I must say that I found more evidence of loose language, than of tight language—more evidence of loose thinking, than of clear thinking. This disturbed me deeply, because I believe it is incumbent on the executive branch to be clear when it seeks to have Congress authorize annual programs involving billions of dollars. As disturbing to me as the lack of clarity in thinking was the apparent absence of perspective in planning the pending legislation.

One of my colleagues on the Foreign Relations Committee some months ago, when the program was first presented to the Congress, remarked that this year's mutual-security bill looked like some more of the same old medicine in the same old bottle.

I have not had a great deal of experience with bottled medicine. Nevertheless, it is my impression that if the medicine prescribed is getting results, it ought not to be lightly discarded. However, if a man's symptoms have changed and the old medicine is not getting results, the time has come for a fresh diagnosis.

In the case of our foreign-aid programs, the symptoms of the world's situation today are quite different from those of the past year. Moreover, there is substantial doubt whether the old medicine is getting the results we have

the right to expect. Thus, while the actions of the Soviet Union have undergone marked changes since last July, there is little evidence that the administration has shown the flexibility in thinking, and the clear thinking, necessary to meet these fresh challenges. We still hear the oft-repeated phrase with which the administration reacts to new Soviet moves.

When the Soviet Union announces a reduction in its armed forces, what do we say? We demand "deeds, not words."

When the Soviet Union proposes assistance to the nations of Asia, what do we say? We demand "deeds, not words."

When the Soviets suggest that exchanges of persons between the United States and the Soviet Union be stepped up or that their leaders visit this country, what do we say? We demand "deeds, not words."

I do not wish to be misunderstood as taking the position that the Soviet Union has changed its fundamental aims or that we should accept at face value the new look. The Soviet Union is still a totalitarian dictatorship, whether the dictatorship be that of Stalin or a committee of successors. The Soviet Union still threatens freemen everywhere.

But I do make the point that the Soviet Union's new tactics have an influence in neutral countries which we cannot counteract with automatic slogans. There is no doubt that the Soviet Union is making friends and influencing peoples by its actions. The peoples and the governments of many Arab and Asian nations believe that the Soviet Union is engaged in performing "deeds"; but all we do is to reply with the old sluggish, outmoded slogan, "Deeds, not words." Unless we show more originality of thought, more good old Yankee initiative in our foreign policy, we will find our own words hurled back in our teeth.

During this year, when Soviet actions have been undergoing a transition, the administration has been marking time. There is little evidence that it has comprehended the fact that world relationships are changing, that a fresh diagnosis of world relationships is needed, and that such diagnosis may require new action on the part of the United States.

The people of this Nation feel that things are not right with our foreign policy. They hear the reassuring words of the President but read in the press of our deteriorating international relationships. In the words of the nursery rhyme, the people are realizing that "it isn't the whistle that pulls the train." We cannot rock along in the same old fashion relying on slogans and preachments instead of action and expect free nations to admire us for our leadership and be willing to tie up their future with ours.

Never in my experience as a member of the Committee on Foreign Relations have I seen so many amendments offered in the committee to a proposal submitted by the administration. No less than 15 amendments were proposed, many of them going to matters of substance. Furthermore, the committee this year received from the public more proposed revisions of the Mutual Security program than it has ever received

before. This is evidence of the widespread and growing concern of our people. There is a vast uneasiness about the quality of our foreign policy. This is not election-year uneasiness. It is an uneasiness bred of the feeling that American influence is being diluted by aggressive Soviet advances on the political and economic fronts. It is an uneasiness compounded by a gradual realization that our reactions to the new Communist threats are unimaginative, stereotyped, and negative in quality.

My remarks thus far, Mr. President, have been directed to the foreign policy implications of this proposed legislation. There is one domestic aspect of the problem which has given me deep concern also, namely, the fact that some of the involved language in past legislation has seemed to hide the fact that much of the Mutual Security program has been used to modernize our own Armed Forces. In this connection, I invite the attention of my colleagues to that provision of the pending legislation which relates to the authorization of funds for military assistance. I am especially interested in this provision because it was my privilege in the Committee on Foreign Relations to offer an amendment which was accepted and which will, I believe, serve to increase the understanding of the people of the nature of the program being carried on under this legislation.

In the past, Mr. President, the military assistance funds have been appropriated to the President of the United States. Those funds have then been used in large part by the administration to purchase equipment from the Armed Forces of the United States. That equipment is then given to the nations which we assist.

What actually has been happening, however, is that when these Mutual Security funds are used to buy, for example, an F-84 jet fighter to be given to country X, the Air Force which sells the jet fighter to the Mutual Security people, uses the funds received to replace the F-84 with a later model aircraft—perhaps an F-104. In effect, then, a substantial part of the funds made available for what some people call "foreign aid," has been used to modernize the arms in the possession of our own Armed Forces. Indeed, the Armed Forces of this Nation have been charging the Mutual Security funds not for the price of the F-84 in my example, but they have been charging the price required to replace it, namely, the price for the F-104. The present Mutual Security Act, however, will change that situation.

I sought by the amendment which I presented in the Committee on Foreign Relations to make it clear that a large portion of the funds we here authorize are used in the way I have described and thus serve far more directly the national interest than many had supposed.

If my colleagues will note section 3 of the pending bill, they will see that it authorizes the appropriation of a total of \$2.5 billion. My amendment divides that total into two parts.

First, there is the figure of \$925 million. That amount may be used for military assistance of the type which will, for the most part, involve direct purchases for the mutual-security account. Thus, for example, if the President should de-



termine to supply advanced-type rockets or guided missiles to one of our allies in Western Europe—missiles or rockets of a type not in supply in the United States in sufficient quantity to serve our own interests much less our allies too—he could order such equipment for the country we would be assisting and have it delivered. Such a purchase would come from this sum of \$925 million.

However, the second part of the military assistance fund, the larger part of \$1.6 billion is to be used—and I quote from the language of the section—"only for the purchase of equipment and materials for the Armed Forces of the United States." The section also provides that to the extent this sum of \$1.6 billion is used for these purchases, a corresponding value of equipment may be furnished from Department of Defense stocks to countries receiving help under our mutual-assistance program.

In other words, Mr. President, what this language does is to make it crystal clear with respect of some two-thirds of the military assistance funds hereby authorized, that it is to be channeled into assistance to foreign nations only if it is processed through our own armed services in such a way as to enable our own armed services to have first claim on the latest, most modern equipment from our own manufacturers. The amendment, I believe, removes a cloud under which much of this program has operated, namely, the belief that somehow this military-assistance program was being operated to the detriment, indeed, to the damage, of the military defenses of this Nation.

These, Mr. President, are some of the reasons why I have had doubts about supporting the pending legislation. These are some of the reasons I view the pending legislation as a mark-time operation—a holding operation—while we diagnose and reassess a foreign policy which, though it may appear strong in defensive tactics, is weak in initiative.

I have heard that the administration is engaged in a reappraisal of the whys and the wherefores of our mutual-security program. I earnestly hope that such reappraisal will be objective, that the assumptions upon which our aid programs of the future must be based will be sound, and that our future actions may be bold and thus consistent with the character of our people.

The American people have the deserved reputation for honesty, ingenuity, and boldness. We have acquired a reputation throughout the world of being a haven for the oppressed, a nation dedicated to promoting self-government and individual freedom, and a nation of economic opportunity. However, this great reputation built by our forefathers is gradually being dissipated. We voice our sympathy for the oppressed, but we have largely closed our borders to them. We talk of self-government and independence, but we permit ourselves constantly to be allied with colonialism against independence. We talk of equality and independence of nations and of economic opportunity, but we are niggardly in helping so-called neutral na-

tions unless they accept the ties of our apron strings. I have every respect for efforts to be prudent and careful in expenditures for aid. Frugality, however, ought not to degenerate into miserliness.

Mr. President, I support the pending bill as an interim measure because I have every hope that by this time next year we will have developed an approach to mutual security which will reflect the image of the real America. We are not by nature a fearful, defensive people. For that reason our foreign policy should not be couched in the negative terms of fear of communism.

It is not true, as many have suggested, that Congress will only support a foreign-aid program if it can be shown that foreign aid is necessary to fight communism. Programs of economic assistance must not be based on the negative concept that such aid is necessary only to prevent some nation from going Communist. I do not believe that most independent nations are motivated nearly so much by the fear of going Communist as by the positive desire to promote individual freedom and economic growth for their people.

The independent nations of Asia which we help are not nearly so interested in what the United States is against as in what the United States is for. It is a simple thing to be against evil, but it is a tremendous challenge to promote good. The truth is, of course, that the promotion of good is likely to have most serious setbacks to evil, but that must be the collateral effect, not the prime purpose.

I hope that the administration by next year will be able to approach Congress asking authority for foreign aid in positive rather than negative terms. Our country will not be able to grasp the initiative until our energies are devoted to promoting freedom instead of being sapped by the slogans against communism wherever it seems to threaten.

In the formulation of a fresh approach to foreign aid, I hope the administration will be honest with itself. We often hear reference to the man who looks at the world through rose-colored glasses or to the man who looks at the world through dark glasses. In both cases the way he sees things is conditioned by the glasses he puts on. He sees the world as he wants to see it. This characteristic of many men is most dangerous if applied to governments. When I read statements in the press one day that all is right with the world and that the United States has never been held in higher esteem, and the next day read reports that tragedy faces us if we do not speed up the arming of our friends, I become fearful that we see the world not as it is but as we want it to be, through rose-colored glasses one day and dark glasses the next.

Hamlet's words, "And this above all: to thine own self be true," are especially applicable to governments. It is especially incumbent upon the leaders of a nation to be honest with themselves and with the people, as they analyze the foreign policy interests of this Nation and the factors which influence foreign nations and peoples in their attitudes toward us.

Finally, Mr. President, I ask that the administration be bold and forthright in presenting our foreign-policy problems to the Congress and the people. There must be no assumption that if a problem is serious it must somehow be made to look simple, that it must be sugarcoated, else the people will not respond. The American people view problems as challenges. Our history has shown that we are capable of rising to the needs of the hour once those needs are made clear. I believe this generalization is applicable to the conduct of this Nation in its foreign relations as well as in dealing with its internal problems.

In conclusion, Mr. President, let me say I am hopeful that the doubts which I expressed at the beginning of my remarks are exaggerated. I may have been too pessimistic and too critical in these remarks. However, I am hopeful that the lack of a fresh and forward approach to meet new challenges to which I have drawn attention is only a part of the democratic process of government—a process which is often slow and painful, but ultimately determined and productive. So, as I stated in the beginning, I have concluded that here and now I should vote to support the bill reported by the Foreign Relations Committee.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MORAL CRISIS IN AMERICAN FOREIGN POLICY

Mr. BRIDGES. Mr. President, a short time ago in a nationwide television broadcast, Secretary of State Dulles talked to the American people. He invited full and fearless discussion on all questions concerning our foreign policy.

It is not often that a Cabinet officer of the party in power asks for advice, debate, or criticism of the policy he adopts and the Department he administers.

Secretary Dulles showed courage in this proposal, especially as we are about to enter a great presidential campaign. But the Secretary realizes that the campaign, dramatizing personalities and issues, captures the attention and interest of millions of Americans. It provides an excellent opportunity to discuss our foreign policy, appraise its successes and its failures, and reach the solid conclusions on which vigorous action can be based.

Of course, there must be self-restraint.

Our discussion must be carried on with a sincere desire to arrive at the truth and at the best interest of our people. We must not seek small partisan advantage. Our criticism must not be carping and destructive, but rather clear and constructive.

In this discussion we must be free of party discipline and executive dictation.



We must honestly, courageously face the issues—admitting past mistakes, whether they have been made by Republicans or Democrats. This is in the best American tradition of public service.

Our duty during the course of the campaign in the convention halls, meeting places and on the street corners throughout the Nation, is to discuss our international problems fully and frankly. Our allies and opponents must understand that we are dedicated to the task of preserving the free world.

How we conduct our foreign policy, and whether we successfully handle the issues confronting us, we determine not only the fate of Americans now living, but also the fate of generations to come—and perhaps the fate of the civilized world. It is because of these awesome pending decisions that I ask for a searching examination of our foreign policy—what it is and what it should be to serve our people best.

I think we might well spend a few moments reviewing the fundamentals and thereby clear the air. Let us see whether we can determine the essentials for a foreign policy which would truly and effectively advance our national interests.

So much has been written, so much has been said, and the confusion has become so great, that we have lost sight of a simple and obvious fact. That fact is that the purpose of our foreign policy is to promote and protect the true interests of our people. No one will deny this simple statement of purpose, and yet we become involved in incredible confusions.

The real interests of our people: What are they? The ideals of the Republic: What are they?

Our real interests are the preservation of our freedoms—our way of life. As individuals, we want to realize our greatest possibilities, morally, spiritually, economically; to live in decency and to raise our families in the best traditions of our free society. As Americans, we want to be citizens of a Republic which provides a government under a constitution which guarantees those rights.

Because of war and circumstance, the United States has become the leader of the free world. The power of example is of overwhelmingly critical importance. To the extent that we are determined to maintain our own freedom, our friends and allies will be disposed to follow our example.

As Americans, we want to remain free to live according to our democratic traditions—to work, to hold property, to raise our families, to live in our town, city, State, and Nation, free from the danger of attack and foreign conquest.

By foreign conquest I do not merely mean military conquest. I also mean intellectual and spiritual conquest. The time has passed when only men's bodies are conquered. We now live in a world where the dictators are as much interested in the conquest of men's souls and minds as that of their bodies and their land.

Real security, which was once defined in only military terms as being freedom from the danger of armed invasion, has a wider meaning now. Security now means not only physical defense against

our enemies. Security now also means defense against spiritual and intellectual demoralization.

I am as much concerned with our moral and spiritual security as I am with our military security. Almost all of us are cognizant of our military security. Needless to say, our military security presents serious problems, but most of us are alert to these problems. Once we have become aware and alerted, I have great confidence in American technological skill, American economic know-how, and American resourcefulness. These talents are a great asset in building a military defense.

It is with the moral and spiritual side of our problem that I am greatly concerned. I do not say Americans are morally weak. I do say we are morally confused. Nowhere is this moral confusion worse than among our so-called liberal intellectuals. This confusion tends to paralyze the mind and the will. The more extended the paralysis, the greater is the Communist victory.

There are moral questions on which we cannot be neutral. The recognition of physical torture as a deliberate instrument of government, the employment of secret police, the use of summary trials and executions behind closed doors, the dragooning of forced labor—these and many other practices of tyrannical despotisms behind the Iron Curtain have been abhorrent to our people.

Yet these practices are a commonplace in Communist states.

Right now we are being told that some mysterious and inexorable law of history and economics is remaking the conduct of the Russians. Things are going to be different.

How different? In what way?

The "purported" speech of Khrushchev before the 20th Communist Party Congress was reported at length in the New York Times for June 5, 1956—only a few days ago.

Said Khrushchev, recounting the gruesome methods of the Stalin regime:

When the cases of some of these so-called "spies" and "saboteurs" were examined, it was found that all their cases were fabricated. Confessions of guilt of many arrested and charged with enemy activity were gained with the help of cruel and inhuman tortures.

He continued with instance after instance of these horrors. He spoke repeatedly of trials in secret, of what he calls "illegality," and so forth.

What does he mean by the words "secret" and "illegality"?

This man, engaged in denouncing Stalin for these crimes, is the most prominent member of an oligarchy which, since it has come to power, has been doing the very things of which Stalin is now accused. Beria, the chief of the secret police, was not the only man the present regime sent to death. We do not know how many there were. We do know, however, that a few weeks ago the news was permitted to leak out that four lieutenants of Beria had been tried in secret and shot. Is this what is called "legal"? Is this what is called an "open trial"?

There has been no tangible evidence whatever to prove that the leopard has changed his spots.

Only a short while ago Khrushchev and Marshal Bulganin paid a visit to Britain. While they were there, they were entertained at dinner by Labor Members of Parliament. When the dinner was over the time came for questions. At length, one of those present addressed Khrushchev and said that there was worry and concern in Britain over the fate of a number of Social Democrats who had been imprisoned or had disappeared in Eastern Europe. Would Mr. Khrushchev be so good as to receive a list of names and to furnish, at his convenience, information about these Social Democrats? According to the press dispatch descriptions of the dinner, Khrushchev turned livid with rage. He brushed aside the list of names and said:

Why should I take a list of names when I have no idea whatever of paying any attention?

Are we going to give way, here a little, there a little, to people of this stripe? There was once a British Minister who went to Munich to get what he called "peace in our time." Senators know what happened.

Are we to ignore and pass over and rationalize these things?

I say we cannot if we have any moral principle left. We cannot if we act on moral principle at all.

Whatever our faults, whatever grievous blunders our people have made in the past, the belief in freedom has been—and, I believe, remains—the spark of our national conscience. This belief in freedom is what shores up the demand for "Equal justice under law." In some of the darkest moments of our history, it was this belief that carried us through. Over and over again the declarations of this conscience have been given to the world and, what is more, have been made to stick.

Recall the phrases:

We hold these truths to be self-evident, that all men are created equal, that they are endowed with certain unalienable rights, that among these are life, liberty and the pursuit of happiness.

There is no neutralism or indecision here.

Yet again:

With a firm reliance on the protection of divine providence, we mutually pledge to each other our lives, our fortunes and our sacred honor.

There is no neutralism or indecision in those words.

And once more:

That government of the people, by the people, for the people shall not perish from the earth.

These are expressions of moral principle and I could quote a hundred more. Every last one an expression of honorable American tradition, down to the historic rejoinder of General McAuliffe at Bastogne. There is no neutralism about them. They are the enduring evidences of the determination of Americans to keep their freedom.

We can exercise self-restraint, I hope, in our international relations. We can respect the rights of other nations. We can understand the yearning of colonial peoples for their freedom, because we



ourselves were a colonial people once upon a time. We can refrain from meddling with the traditions and religion and customs of others. We certainly do not want to say "Do it our way, or else."

But, by the same token, we cannot tolerate the systematic effort of Moscow to impose communism upon nations and people who do not want it. That is what the Kremlin has been doing for decades. Here a murderous coup d'etat as in Czechoslovakia. There a wrecking job done by infiltration as in Indochina. To suppose that the piecemeal absorption of other countries by the Communists is of no direct concern to us is insane.

Let us never forget that not a single one of the countries and half-countries now under Russian domination ever asked for it. Remember that even the Russians themselves have never had a chance. I said never. In their earliest times they lived in slavery. Then, they endured the bloodthirsty rule of the Mongols. In place of that, they became serfs under the absolute autocracy of the Czars. Then, in 1917, the faint flickers of a democratic revolution were snuffed out when a handful of Bolsheviks hijacked control and set up the dictatorship of the proletariat.

We know that Russians have been brave. We know that their endurance seems inexhaustible. But no Russian now or ever in the past has known what freedom really is.

From East Germany to North Korea and North Vietnam, the peoples of the Red empire were given no real choice. They were beaten down and trapped by methods ranging from propaganda, subversion, and infiltration, to military violence or the threat of military violence. And, once trapped, by whatever means, their captivity has been maintained by unlimited terror.

Those self-styled liberals who defend the right of the Russians or Czechs, the Chinese or North Vietnamese, to go Communist are talking nonsense, in my judgment. They might just as logically defend the right of inmates of concentration camps to be slaves. The captive peoples did not go Communist—they were driven into the Kremlin's prison of nations, hermetically sealed against escape.

Let us never forget, also, that the Red Empire is not limited to the countries already behind its iron and bamboo curtains. Every Communist Party in what remains of the free world, every false-front organization operating under Moscow discipline, every guerilla warfare contingent under Communist direction, is an integral part of the Red Empire. We are not dealing with a group of conventional nations, but with a worldwide conspiracy dedicated to making this one world—one Communist world.

The necessity of international political life makes it necessary for foreign offices, including our State Department, to treat Soviet Russia as if it were "just another country," but we know it is nothing of the sort. In reality, Soviet Russia, its satellites, and its allies are the core of an apparatus of power and coercion which penetrates in varying degrees, every nation on every continent of this earth.

On the one hand, the dictators in the Kremlin are the bosses of a great domain; on the other, they are the bandit leaders of a vast revolutionary conspiracy which seeks to destroy not only opponent states, but moral values, religion, freedom, all that we hold dear.

When Comrades Khrushchev, Bulganin, Malenkov, and Mikoyan, stage state visits beyond the Soviet frontiers, they pose as merely the heads of one country. The pose, unfortunately, is accepted at face value. Yet only the most befuddled can be unaware that these despots are at the same time the heads of a world revolutionary movement. Their every word and act is related to a firm and fixed strategy of world domination. When they are abroad, no matter how plausible their pretext, they are reconnoitering enemy areas which they are determined to seduce or bludgeon into the Communist sphere.

Nothing that has happened since the death of Stalin has changed the overriding Communist commitment. The so-called return to Leninism, which is to say, to the original Bolshevik principles, is being foolishly interpreted in some quarters as a policy of moderation. Actually, it is a reaffirmation of Lenin's military dogmas of class war, civil upheaval, and unlimited deception, all directed to the achievement of a totalitarian, all-Communist world.

So why the new optimism? Why the disastrous letdown of our vigilance?

If only our optimists today could be induced to do their homework in Communist history they would realize that in the middle thirties, under cover of Stalin's pretenses of live-and-let-live united fronts, the Soviets forged the weapons of subversion and infiltration which they exploited to the full when the line was changed.

They would recall how generally it was then accepted that communism had "matured," that it had ceased to be interested in world revolution, that Stalin the realist was concerned only with improving conditions in his own country. Those who tried to warn the world that communism had not changed its nature, but was temporarily employing cunning instead of brute force, were denounced as "Red-baiters" and alarmists.

Yet today we are neck-deep in the same confusions and illusions, as if the 1930's had never been. In order to soothe our nerves and our conscience, we are fed with fairy tales about new looks in the Communist world and the magic of collective leadership.

I am tired of this kind of talk, and I am especially tired of being told that I am an alarmist. I am no Johnny-come-lately in watching the Communist pitch curves at the so-called liberals.

How well do I recall that during World War II we were being swamped with stories about how completely the Communists had changed, and how we were all going to dwell in peace and unity after the war. We were going to remake the world and usher in the golden age.

I did not believe it. I could see no fundamental change in Communist tactics at all.

I said so in an interview with the Boston Herald on September 12, 1943. I said:

It is time to use more spine and less servility on this subject (of dealing with the Soviets). Joseph Stalin needs to be dealt with toughly, frankly \* \* \* and with self-interest plainly in mind.

Numerous persons in Washington told me that I did not understand the Communists, that I had been deceived by Red-baiters.

Was I deceived? I notice that in the Daily Worker for June 12, 1956, a prominent American Communist, Howard Fast, now confesses that the Khrushchev revelations of Stalin's record constitute "a record of barbarism and paranoic blood lust that will be a lasting and shameful memory to civilized man."

Who is looney now?

In 1944, immediately after Tehran, I questioned the nature of the political commitments made there. In a speech I made in the Senate on January 14, 1944, I said:

Americans want to know whether the national life and independence of any people in Europe—or Western Europe—whether in the Baltic region, the Balkans, or Western Europe have been endangered by American commitments or the failure to make strong American representations. Americans want to know how Poland, which was the only full ally which England and France had at the beginning of the war and which has been so horribly ravaged, is to be rewarded for its loyalty and supreme sacrifices.

That speech was made a full year before the Yalta conferences. I was given to understand, indeed, I was told on the Senate floor, that my suspicions were groundless. I was told that Mr. Roosevelt, as President of the United States, would handle matters. I was told by the leaders of this Government that I was entirely misinterpreting what was going on in the world.

Did I misinterpret their intentions? We know now how the Poles were rewarded. Their territory was carved up, their people were handed over to a reign of terror, and a gang of Polish stooges for Moscow were put in power.

Ten months before Yalta, I returned to this subject in a Senate speech on May 23, 1944. The speech was entitled "What Are Our Peace Aims?" I said:

Because the matter which I am presenting is so urgent, from this point on, I shall address myself directly to the President of the United States. President Roosevelt, the American people are not going to be content with a military victory only. We, as a people, are utterly in sympathy with your own sentiments which you expressed in a radio talk on May 27, 1941, wherein you said, "We will accept only a world consecrated to freedom of speech and expression—freedom of every person to worship God in their own way—freedom from want, and freedom from terrorism."

How did we make out? Freedom to worship God? With Cardinal Mindszenty drugged, put through the third degree, flung into prison, let out again under the watch of the secret police, and now—as I understand—in prison again? In Yugoslavia, Cardinal Stepinac under house guard and the constant surveillance of our friend Tito's goon squad. In Poland, the Archbishop of Warsaw shut



up in a monastery and all but cut off from the outside world. As for China, all of us have seen the photographs of the few missionaries who have been released. Although they went to China to spread the word of God, they have been shrunk to skin and bone, and are physical wrecks. These are the ways in which the Communists guarantee a person freedom to worship God in his own way.

Mr. President, let me point out that, despite those speeches which I made, I have heard Members of the Senate and other representatives of official Washington say, "Well, anyone can have hindsight." But, Mr. President, that was not hindsight; it was foresight. However, those in charge of our Government at that time closed their eyes and their ears to what was occurring. That was true not only of the executive branch of the Government but also of some of the leading Members of the Congress of the United States at that time.

Yet again in the same speech of May 23, 1944, I said:

We know that [President Roosevelt] risking our whole future and the future of the postwar world on the good will of Mr. Stalin \* \* \* will never be accepted by the American people as their only safeguard against war and the threat of war.

I went on to say:

What are our peace aims, Mr. President, and do they bode good or ill? \* \* \* Are they a patchwork of unprecedented necessities which will merely postpone the final issue of war itself to the not-too-distant future? Why do you not take us, your own people, into your confidence, Mr. President? Is it because you wish to overwhelm us with joy when you suddenly pull a patchwork peace settlement out of your hat, or is it because the monster which you have helped to breed has broken its leash and is now at large?

I was referring to President Roosevelt.

What happened? A year later, the Russians entered the Far East war, just a few days before the Japanese surrender—just a few days, but with time enough to seize control of Manchuria and get their hands on North Korea, from which, in 1950, the Communists launched another bloody war.

We remember what happened. General MacArthur was forbidden victory; he was flung to the appeasers; and today, in North Korea, the arms buildup for a new Communist war goes on.

Now, we have the new look in Russia. Many of the intellectuals in this country are saying, "It is a new look." What is the reason for it? We can only speculate.

My own guess is that the reason is double. The first part of the reason is that their domestic political situation forced a new piece of window dressing. The rest of the reason is that those in charge of the Communist machine, never giving up for an instant, their goal of world dominion, now believe that an exhibition of sweetness and light will soften up the West.

The present Communist rulers cannot wash the blood from their own hands. Their helpless subjects have as yet no alternative but to pretend to accept the alibis.

But there is no such compulsion upon the free world, Mr. President. Why

then, do we go along with the idea that Stalin's heirs are any different from their late boss? It should be obvious that only the most ruthless and corrupt of Stalin's subordinates, only those capable of doing his bloody work without wincing, could have survived a quarter of a century of purges under his suspicious eye. The very fact that they were at the time of Stalin's death—or was it murder?—his most intimate collaborators is proof enough that they are made of the same moral stuff. Whatever the interpretation for this sudden repudiation of Stalin, it could only stem from weakness.

Why not take advantage of this weakness in our opponents? Certainly this is not the time to dignify the culprits of the Kremlin by accepting them and extending the courtesies of normal statesmen. In doing this, we are only building them up with their own people at this time when they are weakest. Such action can only confound and confuse our friends and give aid and comfort to our enemies. The terrorism to which those men admit having been parties should earn them the deserved disgust of the entire world.

We cannot be optimistic about our dealings with men to whom Stalin could be a deity for 25 years, but to whom overnight he could become a demon. We will not grasp to our bosom those men, who for 25 years as Stalin's lieutenants were responsible for the torture of millions of Russians and the condemning of hundreds of thousands of victims to death by starvation and the atrocities committed in far-off Siberian prisons.

I appreciate that there will be those who will ask that I be more diplomatic and temperate in my language. I shall answer that moderation and diplomacy are perhaps requirements of foreign-affairs officers; but it is good to clear the air.

If ever there was a moment when the revulsion of mankind should have found forthright expression, it is now. The most extreme of the charges against the Soviet régime, those which our muddled pro-Sovietees once denounced as inventions and slanders, have now been confirmed by the culprits themselves.

But we see no such revulsion. It is as if free men had lost their capacity for telling good and evil apart, their capacity for indignation at the spectacle of millionfold crimes, even the crimes of which they themselves were the victims.

I am forced to conclude that many times in the past, in the conduct of our foreign relations, we have lost the compass of moral principle. More and more we operate in gray areas, somewhere between good and evil. The excuse, of course, is political realism. But history is our guaranty that such realism is a snare and a delusion.

It was a false expediency which produced Munich and Yalta and the chain of appeasements on which our Soviet enemy has been nourished to his present dimensions.

What have we got in exchange for the \$1 billion we gave to Tito? We fed him, and bolstered him when Stalin tried to crush him; we supplied and equipped

his army. And what do we get for our pains?

We get a Tito honeymoon staged in Moscow. We get a statement from Marshal Zhukov to Tito that in war in the future, the Kremlin and Tito will fight shoulder to shoulder. We get an official statement that Tito and the Kremlin will make stubborn efforts to see that Red China is admitted to the United Nations. Are we supposed to forget that the United Nations voted Red China an aggressor in the Korean war, and that the ban has never been revoked?

Mr. FLANDERS. Mr. President, will the Senator from New Hampshire yield for a question?

The PRESIDING OFFICER (Mr. CORTON in the chair). Does the Senator from New Hampshire yield to the Senator from Vermont?

Mr. BRIDGES. I yield.

Mr. FLANDERS. I wish to say that I am filled with the same amazement which seems to affect the Senator from New Hampshire at the proposal to include Tito in our mutual assistance. I raise the question—and I raise it with all the members of the Foreign Relations Committee—whether, by the millions of dollars we have spent—so much of it spent usefully and successfully—we have ever succeeded in actually buying anyone? I wish to suggest that the undertaking to buy Tito is a fruitless undertaking. We can rent him for a period of time, but the rent will be raised every month. I am ashamed to have my country enter into an auction with Soviet Russia for the good intentions of Tito, and I am going to find some way to vote against such a thing before our consideration of the pending bill has concluded.

Mr. BRIDGES. I thank the Senator from Vermont. His idea about rental is a good one. I had not heard that expression used before about this matter.

Mr. SMITH of New Jersey. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. SMITH of New Jersey. I wish to call the attention of the Senator from New Hampshire and the Senator from Vermont to page 15 of the committee report on the bill, where the following statement appears:

#### 7. ASSISTANCE TO YUGOSLAVIA (SEC. 5)

Section 5 of the bill provides that, effective 90 days after its enactment, no assistance shall be furnished to Yugoslavia unless the President finds—

"(1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, and (2) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia."

The committee views this section primarily as a statement of congressional concern over the state of our relations with Yugoslavia and particularly the state of Yugoslav relations with the Soviet Union.

For the RECORD, I wish to make it clear that such aid will be cut off within 90 days, unless the President finds such aid to be "in the interest of the national security of the United States."



Mr. FLANDERS. Mr. President, will the Senator further yield?

Mr. BRIDGES. I yield.

Mr. FLANDERS. I should like to give a little advice to the President on my own. My way of doing so is by protesting against any further monetary support of Tito.

Let me say to the distinguished Senator from New Hampshire that I find myself in practically full accord with the bill, except on that one point, and that I have found so much difficulty in swallowing that portion of the bill that I have decided not to swallow it.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the distinguished Senator from Idaho.

Mr. DWORSHAK. If the system under which we have been operating since the end of World War II, whereby \$60 billion have been spent by this country on foreign economic and military aid, had proved effective in buying good will and guaranteeing the cooperation and support of the recipient nations, then would it not be in order to contend that, under that kind of system, that kind of strategy, this country could command the support and cooperation of Tito? Conversely, the fact that we have not gained his friendship, support, and good will, notwithstanding the fact that we have given him many millions of dollars, justifies us in concluding that the system has failed, and that it is not possible to bribe leaders like Tito into supporting the free nations of the world by the use of millions of dollars?

Mr. BRIDGES. That is a fair assumption, I will say to the distinguished Senator from Idaho. If anyone can show me why we should provide more money to Tito, I should like to be shown. There may be Senators who can show me. There may be those in the State Department who can show me; but I have yet to meet them.

We get an official statement that East and West Germany must be reunited, not by plebiscite and popular vote, but by a negotiated deal. We get an official statement that Formosa must be handed over to Red China. Americans paid \$1 billion for this.

If any one can show me why we should provide more money to Tito, I should like to be shown. It was a disdain for moral values which maneuvered us into the folly for building up the dictator Tito of Yugoslavia. And it is the same retreat from moral standards which today creates the confusion over so-called neutralists.

"Neutrality," as I have said, made sense and still does where the opposing powers are primarily involved in a contest for territories, dynasties, frontiers, colonies, and economic advantages. We know—the whole world knows—that this is not the nature of the conquest at the present time. There is no quarrel between America and Russia on any such traditional grounds. If those were the issues, we would have no trouble coming to terms with the vast Soviet empire, just as we did with the British and other expanding empires in the past.

No. What divides us from the Communists are human, moral, and spiritual

questions; the determination of a crusading totalitarianism to extend its pattern of life to the rest of the human race. Everytime a spokesman for the free world speaks of "neutrality" in the old sense in relation to our present dilemma, he cheapens the issue and betrays the high purpose of the free world. He helps make it seem—as the Kremlin wants it to seem—simply an old style duel for power. On that false assumption, the contest loses its true significance, and other countries are fortified in their delusion that the whole thing concerns only the main antagonists, namely, the United States and Soviet Russia.

It is at this point that I lose patience with those nations which are not only neutralist in their military position, but insist on neutralism in their moral position. I know of no worse offender in this regard than Nehru, who proclaims himself the moralist of Asia.

I know of no instance of Nehru having openly and sincerely taken the side of freedom and democracy. I know only weasel words and idle pretensions. Nehru has yet to denounce slave-labor, torture, trial without jury, political violence, and all the absolute ruthless dictatorship that goes with Soviet Russia. It is just possible that Nehru may yet come around and denounce Stalin. Everyone else is doing it. It is thoroughly fashionable and quite safe to do it today. Dead men cannot retaliate.

On a more specific level, I cannot feel justified in voting large sums of foreign aid to India. In my view, foreign aid, military, economic and technical, is an instrument of foreign policy. Our foreign aid should be employed to build and nurture those allies and alliances necessary to protect us and to assure our safety. We must match with bonds of friendship the enmities our opponents try to create. We want to help other nations to strengthen them spiritually and economically, so that if they are assaulted or if we are assaulted, we will all be much stronger to resist and to fight. I do not care about buying gratitude but we ought to be buying something. Surely we are not spending \$5 billion a year on a huge giveaway charity program. We have no right to tax our people just to give largesse all over the world. If nations tell us they want our economic help but that what side they are on is none of our business, or that they see some good in both sides, and some bad in both sides—then how does helping them aid our foreign policy?

Mr. WELKER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Idaho.

Mr. WELKER. It has been a very great pleasure to the junior Senator from Idaho to listen to the profound remarks of the distinguished leader of the Republican minority policy committee. I know that the great statesman from the cradle of liberty, the State of New Hampshire, has devoted many months of thought to the speech he has just delivered. It is a speech which all America should read and heed.

In case any Member of this body thinks the foreign-aid program is gen-

erally popular, let him go among the people we are obliged to represent. Let him talk to the people who pay the taxes; let him talk to those who wonder what we are doing here. Let me say to my distinguished colleague, the senior Senator from New Hampshire who has served nearly two decades in this body, that we are representing the American people. We must do so or we should not be here. We have a different duty from that of the executive branch of the Government, especially the State Department. If we authorize the giving away of money it is no one's responsibility but ours. I heartily join in the remarks just made by my colleague, the distinguished senior Senator from New Hampshire, when he says that he does not intend to vote to give the money of the American taxpayers to Mr. Nehru, who sat out the Korean war. Was not that notice enough to us in America? He has done nothing during the 6 years I have been a Member of the United States Senate. Tito is considered by some to be beyond reproach. Because of his recent honeymoon with the Communists I would not give him 10 cents if he were the last thing under the canopy of heaven. How can we justify giving a cent to Tito? He has said he would never be separated from his mother land the Communists, and the Communists have said in the event of war they would be on the side of Tito.

Going to another matter. What did we receive in return for what we gave to Nasser the strong man and leader of Egypt? We saw him embrace the Communists—another went down the drain to the Communists and our American taxpayer justly asks why? If we have been so successful in the field of giveaway and foreign aid, I cannot see many friends we have made as a result of that program. In fact, as a member of the Armed Services Committee of the United States Senate, I am afraid Tito, Nehru, and Nasser have set an example that may spread to others who profess to be our friends. Is not it a fact that our principal and fighting friends are people to whom we have given less money than to any others. I doubt if this can be denied.

In my estimation, the program has been generally an utter failure during the 6 years I have been in the United States Senate. The American taxpayer can no longer carry this burden without more assurance than lip service.

I make this statement as one who does not care whether anyone at the State Department likes these remarks or not. I am speaking as a representative of my sovereign State of Idaho. I shall have to be convinced before I will vote to give money to anyone who is not a dedicated, fighting ally of the United States. Whenever there is a doubt, I shall resolve the doubt in favor of my country.

Mr. BRIDGES. I think that is a sound conclusion.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. FLANDERS. I do not want the Senator from New Hampshire to feel that I follow him too closely in anything



except with respect to our friend from Yugoslavia. If any Senators wish to remain in the Chamber long enough after the Senator from New Hampshire has concluded, when I can obtain recognition Senators will hear another of my 15-minute speeches, dealing with the case for India.

Mr. BRIDGES. I am glad the Senator from Vermont agrees with me on the Tito-Yugoslavia situation. I am sure his position is sound on that point, but I am not so sure that I speak for his views on the second point. Of course, there is always room for an honest difference of opinion.

Mr. WELKER. Does the Senator from Vermont intend to give 15 minutes to Nasser?

Mr. FLANDERS. No; I am not prepared to do that. I give him less than that.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. DWORSHAK. Reference has been made to India and to Nehru, particularly to Nehru as an advocate of neutralism. I have been rather reluctant in the past to be critical of Nehru, on the basis that he was probably trying patiently to work out some of the difficult problems confronting his great country.

A few days ago a former Member of the Senate, who is now the Ambassador to India, testified before the Committee on Appropriations. During the testimony, colloquy developed with regard to the serious situation which confronts us today, in which the Soviet nations, particularly Russia, and the United States are competing for the good will and support of Nehru and India. The Ambassador said we had probably contributed a half billion dollars to help India. I presume that all of it was for economic aid, because I am sure that Nehru would not accept military aid from this country. I asked the Ambassador how much the Soviet nations had given India during that same period of time that we had given India a half-billion dollars. The Ambassador's answer was, "Nothing."

Therefore, after the United States has given Indian a half billion dollars in economic aid and the Soviet countries have given India nothing, according to the Ambassador, we are confronted with the serious situation that, although the United States, as the leader of the free nations, is attempting to help India to resist Communist aggression throughout southeastern Asia, the United States is not in the favorable position there that the Soviet countries enjoy, notwithstanding the fact that Russia has not given India so much as 1 ruble in aid.

Mr. BRIDGES. I am very much interested in that point. I was not at the hearing when that particular colloquy took place. That is a very interesting point.

Mr. President, what kind of global do-gooding is this? How can we respect ourselves for giving our money and substance all over the world and asking nothing in return? What has this to do with an effective policy which in this day and age ought to be pretty hard,

and realistic? Our survival as a people and as a Nation may depend on who our allies are and how firmly they stand with us. And if we do not have any allies, we ought to know that too, and act accordingly. This confusion—this soft-headedness—must end. We must realistically reappraise the whole business or in the end we will waste our substance and perish.

In leaving this question of sharing our financial and material resources with other nations, I should like to make one thing very clear. I have long favored the basis for our foreign aid program. I was for foreign aid nearly two decades ago, at a time when that position was not entirely popular, because I believed that it was essential to the security of the United States and the protection of the free world. I am still for a truly mutual assistance program, with particular emphasis on aiding those countries who honestly intend to help themselves and the rest of the free world.

We do not lose sight of the fact that some countries and peoples are more exposed and more vulnerable to Soviet pressures than others. The temptation to forget moral values in their desire to live and stave off attack is understandably stronger upon them. But where are they to find a source of strength to resist if not in our America? We should be supplying the courage, the moral fiber, and the religious conviction to resist. Where are they to find a guaranty that all is not lost if America, too, begins to go neutralist, even if it evades the unpleasant word?

Let us bear in mind that every American compromise, however it may be explained, is multiplied in other countries into surrenders. Our job, to insure our own security and to secure the survival of freedom on this earth, is to galvanize the stragglers, the fearful, the intimidated, by examples of moral valor and spiritual dedication. Such is the rule of leadership which, though we never sought it, we can reject only to our own peril.

That is what I meant when I said that attitudes and basic principles are no less decisive than actions and policies. An attitude of compromise on essentials, phony friendships with gangsters at any price, leads to one set of decisions. An attitude related to deep-rooted moral values leads to an opposite set of decisions.

It is precisely these underlying considerations which must be examined in the debate on foreign policy which will develop in the forthcoming election campaign. We can excuse and make up for failures of particular policies. Those reflect the mistakes of fallible men in a complex situation.

We dare not excuse a failure of nerve and a failure of principle, for those witness a weakening and threaten a collapse of our whole moral structure. If the present drift to cynical grayness, where once we knew the difference between black and white, is not arrested and reversed, we shall lose our ability to defend ourselves. Indeed, we shall have little left that is worth defending.

Mr. President, in making these remarks I have tried to make my views clear. I wish to point out, however, to the people of the United States, particularly to Members of the Senate, that my position has been clear and consistent over the years. I have stood here through the years—and the official records of the United States Senate will bear me out—and my position has never varied. Sometimes I have stood here almost alone.

I have taken abuse. I can remember submitting a resolution to prohibit the shipment of scrap iron and steel and aviation gasoline to Japan. I can remember the abuse I took for doing that. I was right, Mr. President.

I can remember voting for the extension of the Selective Service Act in the summer before Pearl Harbor. I walked out the door, and there was met by a group of women who were dressed in black, wearing black hats and black veils. They carried a sign reading "Mothers of America." Now, these were phony mothers. They were there, and they tried to spit on some Senators who dared to vote for the extension of the Selective Service Act.

That is how it has been in the past. We see the same thing today. We see people closing their eyes and burying their heads in the sand with respect to what is going on in the world.

As a believer in helping those who will help themselves and who stand on moral principles, I sincerely hope that we will be realistic in our approach to this problem.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. DWORSHAK. The Senator from Idaho can recall when the distinguished Senator from New Hampshire stood on the floor of the Senate and opposed the dismantling of the industrial plants in Germany, when efforts were being made by leaders of the Roosevelt administration to destroy the industrial and economic power of Germany, so that it would remain only an agrarian nation.

Mr. BRIDGES. I can remember that very well. The Senator from Idaho and the Senator from New Hampshire stood here together and protested. In spite of that, we were overridden. The dismantling program went on, and the plants went to countries which are now using them against us.

Mr. DWORSHAK. Does the Senator from New Hampshire realize that in the interim this country has expended approximately \$4 billion for economic aid to rehabilitate the German people and to build up the industrial potential of West Germany? Much of that money undoubtedly was expended in an effort to repair the damage which was done when this country participated in that tragic agreement to destroy the industrial power of Germany.

Mr. BRIDGES. Yes. We proceeded with the Morgenthau plan under which we allowed the dismantling of factory after factory, and the equipment was sent to Communist countries. Then the American taxpayers dug down to help carry on the rehabilitation program.



Mr. DWORSHAK. Eight years ago the distinguished Senator from New Hampshire was serving as Chairman of the Senate Committee on Appropriations when the first appropriation bill to implement the Marshall plan was passed. I was a member of the Appropriations Committee at that time, and I well recall the courageous position taken by the Senator from New Hampshire. While he was not opposed to the entire program of foreign aid at that time, he took the position that we could accomplish very little in our efforts to buy good will by bribing nations instead of encouraging them to display self-reliance and independence in order to attain a basis of equality in defending the free nations of the world.

The Senator from New Hampshire is deserving a commendation for the successive positions he has taken when he displayed such courage, intelligence, and good judgment at a time when some of the newspapers of this country and some of the leaders in both parties were taking untenable and indefensible positions because it was popular at that time to take a calculated risk, and to roll out billions of American dollars in what has proved to be a fruitless and ineffectual effort to buy the good will of nations which have failed to cooperate fully with the United States.

Mr. BRIDGES. I thank the Senator from Idaho. I might point out to him that the Senator from Idaho and the Senator from New Hampshire were two of the very few Senators who opposed the Italian peace treaty. Let us mention just one provision of that treaty. It was to take what was left of the Italian nation, divide it up, and give it to some of the Communist countries. We have been spending money to build ships to give to Italy so as to build up the navy which we took away from her and gave to Russia and other countries. Some of the features of our foreign policy over the years, when we look at the record, are amazing, shocking, and inconsistent.

Mr. DWORSHAK. Does not a summarization of many of these rather tragic experiences which have befallen the United States justify, probably, the agonizing reappraisal which was proposed not long ago by one of our officials, so that instead of expanding the foreign-aid program the time has arrived for us to be realistic in reexamining the program, and to determine whether it has been successful and whether we are justified in continuing to spend billions of dollars abroad?

Mr. BRIDGES. That is correct.

Mr. WELKER. Mr. President, will the Senator from New Hampshire yield further?

Mr. BRIDGES. I yield.

Mr. WELKER. Mr. President, once again I commend the great Senator from New Hampshire for his profound speech. I wish to relate a certain conversation which I had with a prominent man in my State a few days ago. When the Tito incident occurred he said, in a jocular vein, "Well, Senator, you had better go back and appropriate twice as much money. We might buy him back."

I am firmly of the opinion that we cannot buy friendship. If one continually

gives money to a needy person the minute the gift is discontinued, he will be criticized. Some of these recipients are not needy. Where is this thing going to end? I remember some of our leaders standing up and saying, "I am voting for the foreign-aid program for the last time." Yet today we hear them arguing for its continuance.

Has the situation improved with our allies? In my opinion, the situation has become worse.

Has the Senator given any thought to what happened in Iceland? We gave Iceland more than \$34 million, outright, plus giant radar installations, plus the airbases there, which cost nearly \$200 million dollars, bringing to them an economy which any country on the face of the earth would love to have. What has happened within the past few hours with respect to Iceland? Are we getting stronger, or are we getting weaker? The Communists have us in dire straits. We are about to get kicked out of the country we have helped so much.

Mr. BRIDGES. I think that is a sample of the fear I have as to whether the countries which are members of NATO will stand up in a crisis when a great danger confronts us. If they weaken now, in peaceful, normal times, what will happen then? We have invested approximately \$160 million in a great air base in Iceland. Having done that in good faith, under an agreement signed with that country, what are we going to do now? Are we just going to leave? I do not know what the policy will be, but I know it is a very uncertain thing.

Mr. WELKER. Can we assume for a moment that if any conflict occurred between the Communists and the United States Iceland would help us, in view of the elections of day before yesterday? Of course not; it is ridiculous even to think they will help us.

Mr. BRIDGES. I would have a great deal of doubt as to that.

Mr. WELKER. Why do not the Members of this body recall the words of the man who said he would let the nations spend themselves into bankruptcy, would bleed them white from within, and cause them to fall into his hands like overripe fruit, and take them without a shot.

I hope the distinguished Senator from New Hampshire will not assume, as I know he will not, that I know anything about foreign relations, but I do know something about commonsense. If the Senator and I do not use commonsense in representing our people, we are derelict in our duty.

Mr. President, I certainly commend the Senator from New Hampshire for the very enlightening and able speech he has made. I watched the Senator many years before I became a Member of the Senate. He is the oldest in service of any Republican Senator, but is still a young man. It will be the highlight of my life that I have known a statesman of his character and his ability.

Mr. BRIDGES. I appreciate the distinguished Senator's remarks. I hope for many years to come the Senator from Idaho will be a Member of the Senate, where he is serving his country

and his State so conscientiously, so courageously, so ably and well.

Mrs. SMITH of Maine obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Maine yield for a moment?

Mrs. SMITH of Maine. I yield.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

Mr. O'MAHONEY. Mr. President, will the Senator from Texas withhold his suggestion for a moment?

Mr. JOHNSON of Texas. I shall be glad to do so.

Mr. O'MAHONEY. Mr. President, if the Senator from Maine will be good enough to yield to me before a quorum is called, I wish to submit four amendments to the bill to be printed overnight, and I desire to make a brief explanation of the four amendments. I am sure it will not take more than 5 minutes, unless I am interrupted.

Mr. JOHNSON of Texas. The quorum call will not take that long.

Mr. O'MAHONEY. Very well. I withdraw my request.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ELLENDER AT THE CONCLUSION OF THE MORNING BUSINESS TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the morning business tomorrow, the senior Senator from Louisiana [Mr. ELLENDER] may be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, on behalf of the distinguished minority leader and myself, I submit a proposed unanimous-consent agreement, and ask that it be read.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The legislative clerk read as follows:

#### UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Thursday, June 28, 1956, after the hour of 3 p. m., during the further consideration of the bill H. R. 11356, the Mutual Security Act of 1956, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received, with the exception of the Johnston (South Carolina)-Payne amendment relating to textiles and the Young amendment relating to agricultural commodities.



*Ordered further,* That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal (June 27, 1956).

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. WELKER. Mr. President, reserving the right to object, I wish to address a question to the distinguished majority leader. Does the Senator from Texas have any idea that any other Senator wants to debate the bill, or is this to be a sort of "closed corporation" action?

Mr. JOHNSON of Texas. No; every Senator can speak on the bill, and, I assume, can offer amendments.

Mr. WELKER. I have no amendments to offer. I simply want to vote against everybody who is not a friend of the United States of America.

Mr. JOHNSON of Texas. The Senator from Idaho will have ample opportunity to speak.

Mr. WELKER. I am wondering how there will be enough time.

Mr. JOHNSON of Texas. The Senator will have ample opportunity to speak.

Mr. WELKER. How much time will be allowed on the bill?

Mr. JOHNSON of Texas. The Senator from Idaho may have as much time as he wishes within the 2 hours on the bill.

I have worked out the agreement with the distinguished minority leader, with the distinguished chairman of the minority policy committee, with the chairman of the committee, and with as many other Senators as I understood intended to offer amendments. I was not aware of the interest of the Senator from Idaho in any particular amendment, but I shall be glad to offer an amendment to the proposed agreement, or the Senator himself can offer one, to enable him to have time in which to speak. There is no disposition to prevent any Senator from discussing the bill.

Mr. WELKER. I do not want to act under a subterfuge by offering a number of amendments merely for the purpose of using a little time. I want to debate the bill fully.

Mr. JOHNSON of Texas. The Senator will have ample opportunity to do so.

Mr. WELKER. I merely wanted to know. I realize that the majority leader has discussed the matter with the leaders on both sides of the aisle. I know there will be a great amount of argument on both sides, but there is nothing more important to me than that there be full debate on the matter.

Mr. FLANDERS. I might suggest to the distinguished majority leader that if there is some doubt as to there being sufficient time, the Senate might convene earlier tomorrow.

Mr. JOHNSON of Texas. There are committee meetings which would prevent that, but I should be glad, if the Senator from Idaho would like to have me do so, to provide additional time on the bill. On many occasions time is

yielded back on bills. I feel certain the Senator can secure time in which to speak. If he cannot get it on his side of the aisle, he can get it on this side of the aisle.

Mr. WELKER. I do not wish to be argumentative.

Mr. JOHNSON of Texas. No. The Senator is entitled to time.

Mr. President, I modify the unanimous-consent agreement so as to provide 3 hours on the bill.

Mr. WELKER. I do not object.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement, as modified? The Chair hears none, and the agreement, as modified, is entered.

Mr. O'MAHONEY. Mr. President, will the Senator from Maine yield to me for 5 minutes?

Mrs. SMITH of Maine. I am pleased to yield to the Senator from Wyoming.

Mr. O'MAHONEY. The Senator from Maine is very gracious.

Mr. President, I ask the Chair to call me to order if I exceed 5 minutes.

Mr. President, I submit four amendments to the bill and ask that they be printed overnight, so that they will be ready in time for the debate on the bill tomorrow. The four amendments deal with what I conceive to be very important phases of the measure.

The bill contains a statement of policy. In that statement of policy I should like to write a declaration that it is the policy of the Congress of the United States to maintain and expand its airpower through the construction, in accordance with appropriations heretofore or hereafter made by the Congress, of planes, guided missiles, and other advanced weapons, so long as Soviet Russia expands its power. I do not want American airpower to lag behind that of the Soviet Empire.

The second amendment deals with the same subject matter. It adds a new section 13 and reads:

Notwithstanding any other provision of this act, in the event any portion of the funds appropriated by the Congress in the Department of Defense Appropriation Act, 1957, for aircraft and related procurement is impounded by Executive order or otherwise and not expended, there shall be withheld from expenditure a corresponding percentage of the unexpended balances of funds appropriated pursuant to authorizations contained in this act.

The other two amendments deal with the very important question of the authority of the officers and employees of the executive branch to withhold information from Congress. When Congress passes laws under which the Executive acts, and when Congress provides the money under which the executive department carries on its functions, Congress is entitled, in my judgment, to have complete information with respect to what is done.

The bill contains appropriations of billions of dollars to be expended by the President. It is impossible for him solely to spend them; it is impossible for him solely to make the arrangements which will be necessary for their expenditure.

So the third amendment to section 521 of the bill requires the President to

transmit quarterly to the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs a list of the names of all persons to whom delegations of authority have been made under this section, together with a statement of the experience, business affiliations, and employment status of each such person.

The fourth and final amendment I think I shall read, because it deals with this very important question. On page 46, between lines 5 and 6, it is proposed to insert the following:

SEC. 538. Furnishing of information to congressional committees: Upon the request of any appropriate committee of the Senate or House of Representatives, any joint committee of the two Houses, or any subcommittee of any such committee, any officer or employee of the Government having information, or having custody of documents or other data, relating to the programs being administered under this act, shall promptly furnish any such information, documents, or other data to such committee or subcommittee.

Mr. President, I propose to offer these amendments when the proper time comes, because I do not believe that the executive authority should lower any iron curtain to bar the Congress of the United States from obtaining information regarding activities which can be carried on only by the authority of the Congress.

I thank the gracious Senator from Maine for yielding to me.

The PRESIDING OFFICER. The amendments proposed to be offered by the Senator from Wyoming will be received, and printed, and will lie on the table.

#### ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. JOHNSON of Texas. Mr. President, if the Senator from Maine will yield very briefly, I should like to make an announcement. I do not know how many amendments will be offered tomorrow. It is planned to begin the session at 12 o'clock noon.

I ask unanimous consent that when the Senate concludes its business today, it stand adjourned until tomorrow at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I should like to have the Senate continue in session rather late tomorrow evening, as late as 9 or 10 o'clock, if it appears to be at all possible to complete action on the bill. If not, the Senate will meet on Friday, continue in session late on Friday, and conclude action on the bill. So I should like to give notice of an evening session, if that is agreeable.

Mr. KNOWLAND. I fully concur. I am glad the majority leader is giving notice now, so Senators may be advised and may make their arrangements accordingly. If action on the bill cannot be concluded tomorrow, I think it would be well to have the Senate sit later than it normally does so as to conclude action on the bill on Friday.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. BRIDGES. Heretofore when we have had sessions in the evening, there is one thing I have heard practically



every Senator and everybody else who works in the Senate complain about, and that is the dining room. When we are going to be in session in the evening—

Mr. JOHNSON of Texas. I will say to the Senator from New Hampshire we do not have to be in session in order to hear complaints about the dining room.

Mr. BRIDGES. When we are to be in session in the evening those who operate the dining room should take due notice, and they should have food and an appropriate number of waiters available, and should be prepared to give service. It is disgusting, when we have night sessions, to find that we cannot have good food and service available in the dining room.

Mrs. SMITH of Maine. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Texas. I should like first to comment on the remarks made by the Senator from New Hampshire, and then I should like to hear from the Senator from Maine. I want the RECORD to show that we are not only warning the Senate that we are going to have a night session, but we are warning the dining room and the managers of the dining room, and we are going to expect to eat, and we are going to expect them to have the help and the food in order to provide us with a good meal tomorrow evening.

Mrs. SMITH of Maine. The Senator from Maine should like to ask the distinguished Senator from New Hampshire if he would not be willing to join the Senator from Maine in her efforts for the past 3 years in an attempt to get decent and clean food at reasonable prices.

Mr. BRIDGES. I will say to the distinguished Senator from Maine that should be one of our objectives, and he commends the Senator from Maine, who has conscientiously and consistently tried to bring that about.

Mrs. SMITH of Maine. But the Senator from Maine gets very little assistance. In fact, within the past 10 days, another effort was made, and we are still waiting for clean and good food at prices that at least the members of the staff can afford to pay.

Mr. JOHNSON of Texas. I hope Senators will take judicial notice of the statement made by the chairman of the minority policy committee and the Senator from Maine, as well as the majority leader, to see that the restaurant is put on due notice that we expect to be visiting with them tomorrow evening. We expect to have clean and good food, in abundant quantity.

Mrs. SMITH of Maine. Will the majority leader join in asking that that objective be carried out through the year in the cafeterias as well as the Senate dining room?

Mr. JOHNSON of Texas. I cannot speak for the minority leader, but the majority leader is always persuaded by his friend from Maine, and he will be glad to go into the question with her. If she will state what contribution he can make to the general cause, he will be glad to make it.

Mr. KNOWLAND. Whether the question was directed to the majority leader

or the minority leader, I shall be glad to join in that effort.

Mrs. SMITH of Maine. This is the greatest cooperation I have been able to obtain in the restaurant matter. It is only a matter which requires the Committee on Rules and Administration to move.

Mr. JOHNSON of Texas. I will say to the Senator from Maine that this cooperation is typical of the kind we get every day, but maybe it is more enjoyable because of the generous contribution which the distinguished lady has made today.

Mrs. SMITH of Maine. I thank the Senator.

Mr. President, for many years now I have gone along with and supported the foreign-aid program. It is my sincere belief that this program has produced results of benefit to our country and to the world, in that it has done much to provide the armed peace that we now have—and in stopping and reversing the spread of communism in Europe. It certainly checked and stopped communism from taking over France and Italy and Western Europe. It certainly prevented the loss of Turkey and Greece to the Communists.

But there have been flaws in that program, however unseen they might be. For example, one of the great flaws has been our aid to Yugoslavia—and more pointedly put, Communist Yugoslavia.

We have gambled on Yugoslavia—I am told to at least the tune of \$1 billion—and we have lost. For Tito has now resumed his ties and affection with Communist Russia.

I do not say that we should not have gambled. I acknowledge that it was worth a try as long as there was some chance that Yugoslavia would make her break with Communist Russia permanent. It was worth the gamble—although I doubt in the amount we have paid—not only from the hope of severing Yugoslavia from Communist Russia, but of having such an example encourage other satellites of Communist Russia to have the courage and strength to assert their independence from Communist Russia.

I do not say that we have lost completely on the gamble we made. I acknowledge that for a few years our aid to Tito and Yugoslavia did weaken the position of Russia in Eastern Europe—or at least prevented it from getting stronger. But what we may overlook in making this acknowledgment is that the real gain was made by Tito instead of the United States.

Let us face the facts realistically: We have poured out a billion dollars to a shrewd international blackmailer who was playing both sides against the middle, Russia and the United States against each other. And talking about examples encouraging other nations to follow suit, surely we should wake up to the fact that there is a greater danger that Tito is an example of encouragement to other countries to do the same thing—to get huge sums of aid from the United States by threatening to go to the side of Russia—than the wishful hope of an exam-

ple encouraging other countries to come to our side.

For if Tito can play Russia and the United States off against each other to the tune of a billion dollars worth of aid from the United States—and then at the very first wooing call of Communist Russia to come back into the anti-American Communist world to nearly break his neck going back to the side of Russia—then why will other countries not be encouraged to make a sucker out of the United States, just as Tito has done?

But the cry is made that Tito has said that while he has publicly proclaimed that Russia and Yugoslavia will stand together in case of war, he has quickly assured the United States and the Western world that he does not want to break ties with them. What kind of double talk is this? How long are we going to swallow it?

To those who propose that we set Tito and Yugoslavia up as an example to other countries to encourage them to break with Communist Russia, I say, "Yes. Let's make him an example, but not the way you want. Let's make him an example to the rest of the world that we are tired of his duplicity and blackmail and that we refuse to be made suckers any longer!"

Let us make an example of Tito to the rest of the world by showing that we want no part of his ways. It should be completely clear now that we could never depend upon him.

Some persons attempt to explain and excuse Tito by saying that he is acting independently. But what difference does it make if he acts independently, when he independently enters into a military alliance with Communist Russia—when he independently sides with Communist Russia? What kind of independence is that? Communist independence? Certainly not anti-Communist independence—and even hardly independence from Communist Russia!

Chapter 4, section 143, of the mutual security authorization bill provides that no assistance shall be furnished to Yugoslavia unless it is found that, first, there has been no change in Yugoslav policies on which assistance has been furnished in the past; second, that Yugoslavia is independent of control by the Soviet Union; and third, that it is in the interest of the national security of the United States to continue furnishing assistance to Yugoslavia.

Let us consider these point by point. The only way that it can be concluded that there has been no change in Yugoslav policies is to conclude that all along Yugoslavia and Tito have really kept their sympathies with Communist Russia. That is hardly a basis for continuing aid to Tito.

Otherwise, how can we overlook the recent triumphal return of Tito to Communist Russia, and his statement that Yugoslavia and Communist Russia will stand side by side? If that is not a sufficient change from what some have contended was an independent Tito attitude, to stop assistance to Tito, then I do not know what is.

As for whether Yugoslavia is independent of control by the Soviet Union,



I say that is not necessarily the test. I say so because I predict that before too long the world may see Tito emerge as the chief international spokesman for the Communist world—perhaps even more powerful than the Russian leaders themselves. In that case it is idle to talk about independence of control by the Soviet Union.

As for whether it is in the interest of the national security of the United States to continue furnishing assistance to Yugoslavia and Tito, I ask these questions: Is it in the interest of American security to continue to pay blackmail to Tito? Is it in the interest of American security to show to other nations of the world that Tito's blackmail and ultimate siding with Communist Russia are the effective way to squeeze the most out of the United States? I think the answers are clear.

Now let us look at the statement of policy in the bill—that world peace and the security of the United States are in danger as long as international communism and the nations it controls continue by military threats, economic pressure, and internal subversion, to attempt to dominate peoples now free and independent, and continue to oppress peoples and nations once free, but now subject to Communist domination.

What a mockery continued aid to Tito, that leader of international communism—and perhaps in the not-to-distant future the foremost leader of international communism—is to the statement of policy of this bill. What a mockery does continued aid to Tito make of the phrase "military threats" in the statement of policy, when Tito has just recently proclaimed that Yugoslavia will fight alongside Communist Russia in the event of war. What a mockery is the reference to "economic pressure," when that is exactly what Tito is doing to us with his blackmail. What a mockery when Tito himself has enslaved to Communist domination the once free people of Yugoslavia, and has recently reaffirmed his adherence and allegiance to that Communist enslavement.

Mr. President, in all good conscience to the people of my country—in all good conscience to my country—I cannot go along with continued payment of blackmail to Tito, and especially in the face of the clear manner in which he has recently wedded himself and Yugoslavia to Communist Russia and to her causes, aims, and objectives.

In a struggle for personal power, Tito broke with Stalin and Molotov over personal greed—but not over Communist principles. Now that Khrushchev and Bulganin have snuggled up to him and pampered his vanity, he visions himself as the future senior partner in the Communist ruling clique, jubilantly returns to the fold, not having for a second forsaken Communist principles.

Tito is no neutralist. Tito is a Communist, tied lock, stock, and barrel to the Kremlin, despite all his two-faced talk about independence. And the sooner we recognize it the sooner we keep the faith with the American people.

Mr. BRIDGES. Mr. President, will the Senator from Maine yield to me?

Mrs. SMITH of Maine. I am very glad to yield.

Mr. BRIDGES. I wish to pay my tribute to the distinguished senior Senator from Maine for her very courageous and clear-cut statement outlining her belief in regard to what our policy toward Tito and Yugoslavia should be. She has spoken words of wisdom which all the American people should heed.

Mrs. SMITH of Maine. Mr. President, I thank the distinguished Senator from New Hampshire. I wish to state that he, himself, has led the way in the matter of the proper position for us to take regarding aid to Yugoslavia.

Mr. WELKER. Mr. President, will the distinguished Senator from Maine yield to me?

Mrs. SMITH of Maine. I am very glad to yield.

Mr. WELKER. Mr. President, in line with the remarks of the Senator from New Hampshire [Mr. BRIDGES], I wish to say that I appreciate very much, indeed, the excellent statement which has just been made by our distinguished colleague, the senior Senator from Maine [Mrs. SMITH]. Once again she is right, and once again she has spoken words which the American people can clearly understand. I know she has again been of very great aid to America.

Mrs. SMITH of Maine. Mr. President, the distinguished junior Senator from Idaho is always cooperative and helpful in working on matters in which both he and I are interested, especially in connection with the Armed Services Committee and the Committee on Foreign Relations.

Mr. FLANDERS. Mr. President, I seek the floor; but before doing so, I wish to express my great admiration for the position taken by the senior Senator from Maine [Mrs. SMITH] and for the way in which she has stated it.

Let me say to her that I believe the way in which she was presented the matter this evening to the Senate will be a tower of strength in connection with what we are endeavoring to do in regard to this matter. I am very glad, indeed, to have had the privilege of hearing the distinguished senior Senator from Maine speak.

Mrs. SMITH of Maine. Mr. President, I thank the distinguished Senator from Vermont. As always, he is most generous and helpful in connection with all matters with which we are concerned.

Mr. DANIEL. Mr. President—

Mrs. SMITH of Maine. I yield to the Senator from Texas.

Mr. DANIEL. Mr. President, I wish to compliment the distinguished senior Senator from Maine [Mrs. SMITH] on her remarks. I agree with her remarks and her conclusions, and I appreciate very much the statement she has made to the Senate today.

Mrs. SMITH of Maine. Mr. President, the distinguished Senator from Texas gives me great courage to go on.

Mr. KNOWLAND. Mr. President—

Mrs. SMITH of Maine. I yield to the distinguished Senator from California.

Mr. KNOWLAND. Mr. President, I wish to say that I have been very much impressed by the statement which has

been made by the distinguished senior Senator from Maine [Mrs. SMITH]. I must say that as a member of the Foreign Relations Committee, I have not been impressed fully, at any rate, by the arguments of the State Department in regard to this issue. I think it constitutes a very grave problem which we are facing in the field of foreign policy. Although, as in the case of many public issues, undoubtedly there are two sides to it, I think it most important that the distinguished senior Senator from Maine has presented the issue so forthrightly to the Senate.

Mr. President, I believe there is much danger that continued aid on our part to Yugoslavia may, in turn, encourage Communists in Italy or in France to say, "Well, look at Yugoslavia. She has a Marxian-Communist system, and is following a policy parallel to that of the men in the Kremlin. But Yugoslavia is receiving aid from the United States. Therefore, what reason is there for us to vote anti-Communist? Obviously, we can continue to receive both economic aid and military aid from the United States, regardless of how we vote."

Mr. President, if the Kremlin is attempting further to deceive the West—as I believe those in the Kremlin are attempting to do—then I believe that situation might encourage other satellite States—Bulgaria, Hungary, Rumania, and Czechoslovakia—while still maintaining Communist governments, to say, "Let us show just a little independence, as Tito has done, and in that case we can apply successfully for both arms aid and economic aid from the United States." And the same argument might be made, namely, that we should supply both arms aid and economic aid to those Communist countries.

Therefore, Mr. President, certainly the State Department has not fully answered those questions—at least, not to my satisfaction; and I think it very important that this issue be laid forthrightly before the American people.

Mrs. SMITH of Maine. I thank my distinguished colleague, the minority leader, for his very generous words. I have not had the privilege of serving with him on the Foreign Relations Committee, but I have had the privilege of sitting with him at the table during meetings of the subcommittee of the Appropriations Committee dealing with foreign aid and State Department appropriations. I have found him well-informed, and have been delighted to go along with him on many issues. We are in complete agreement on the attitude of the Kremlin. I hope that before we are through we may know more about the question of where foreign aid should go, and where it should not go.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mrs. SMITH of Maine. I yield.

Mr. KNOWLAND. I think there is one additional danger. It, too, is subject to two interpretations. When we are dealing with the men in the Kremlin and with communism as a whole, all Americans must recognize as a fact that, as a part of their doctrine, it is fundamental with them that they can cheat,



deceive, and lie, so long as they achieve their ultimate objective.

Some people have jumped to the conclusion that because during the past few days the Communist Parties in France, Italy, the United States, and Great Britain have been critical of Khrushchev and his downgrading of Stalin, they have thereby demonstrated a degree of independence in the Communist world. I submit that the situation might well be just the opposite. It may well be that a new party line has been sent out by the Kremlin to the Communist Parties in the United States, Great Britain, France, and Italy, to this effect: "As a part of our new foreign policy, show a little independence. We are going to encourage our other satellites to do so, in an attempt to deceive the western nations and cause them to let their guard down."

Mrs. SMITH of Maine. The Senator from California is so right. I thank him.

#### UNITED-STATES FOREIGN POLICY IV. INDIA

Mr. FLANDERS. Mr. President, we are committed to the defense of the free world against Communist imperialism and colonialism. In that defense the key to the whole continent of Asia is the great new independent India.

A visit to that country last December sharpened my understanding and my apprehension as to its future. However, any of us can follow the trend of events in the news and many will come to much the same conclusions that I did in the course of a brief 15-day visit.

That visit coincided with the last week of the tour of Bulganin and Khrushchev. I was present at the airfield when they took off for Afghanistan and home. I was able to observe at first hand the procedures by which these two Soviet officials were received, entertained, and speeded on their way.

As at all their appearances, and there were many, the population was invited by every available means of communication to be present at the places of meeting, speaking, and departing, and to become acquainted with the nation's guests. Literally millions of the Indian population saw the Russians and heard translations of their addresses. Incidentally, I have never heard a public address system as nearly technically perfect as was that at the airfield when they made their departure. Understanding neither Russian nor the Indian language, into which the address was translated, I could not know what was being said, but what was said was said distinctly, clearly, and impressively.

Thousands of people were brought to the airfield that morning in response to broadcast appeals and instructions made throughout the streets of Delhi. There was needed no exercise of government authority to bring them together. The people made a gala of the occasion, coming by all means of transportation—on foot, by bus, by car, by taxi, by horse-drawn vehicles, and even in bullock carts. Apparently, as on other similar occasions, people came in from the coun-

try and camped out overnight. It was a moving spectacle.

But to the Western visitor the spectacle was one that boded ill for the future of India. On almost every appearance one or the other of the visitors said something that was not true and was obviously barefaced propaganda. Mr. Nehru picked up these misstatements as fast as they were offered and replied to and corrected them in the press. The difficulty is that millions of people saw and heard the visitors and only hundreds of thousands had access to the rebuttal. The net result must have been to leave the impression in the minds of the Indian citizens that their visitors were honored guests and bearers of sweetness and light. Is this a permanent deposit in the minds of the Indian citizens? Will that deposit remain as an effective element in the future of India? Mr. Nehru is anti-Communist in accordance with his own lights, but neither you nor I nor he will live forever.

There may perhaps be some significance in the fact that the Communist Party in India, according to latest information, is now directed to support the Congress Party instead of opposing it.

There are, it seems to me, other dangerous influences leading toward new strength for communism in India. One of them is the series of 5-year plans of which the first was largely and wisely devoted to the increase of food production. In spite of careful explanations and arguments to the contrary, I continue to fear that the second 5-year plan is directed toward an overindustrialization of India. The danger here lies in the fact that India has a surplus working population. Industrialization is directed toward efficiency in production and the reduction of labor costs. What India needs is not labor saving, but labor utilization. That great country must find, I am convinced, a purely Indian solution to its problem of food deficiency and labor surplus. The solutions which the Western World and the United States have found in industrialization will not apply in southern Asia. The pattern is not the economy of the United States or the forced industrialization of Russia or China. Following any of these lines will lead to unemployment, not employment. Increases in unemployment will make the country susceptible to Communist penetration and ultimate control. This fear seems unjustified to those who are planning for the future of India. But they seem reasonable to anyone familiar with Western industrial history who remembers that it took much more than a century before the common man of Great Britain received any benefit at all from the industrial revolution.

These are dangers to India in the present situation. Having an interest in the freedom of the world, which includes the continent of Asia, we have to consider certain things. Is there anything we can do to help in this situation? The first thing for us to do is completely to revise our attitude towards India and its people. We have, most importantly, to reject any attempt to compel that country to accept and follow our world

leadership. To offer large measures of assistance in return for accepting our hegemony will result in complete failure of our purposes.

Again, we must remember the principle stated earlier that we must know what other people are thinking about, what their ideals are, what their prejudices are, and in the light of this knowledge, must see to it that we do not needlessly stir them up.

The most useful thing we can do in behalf of our endeavor to strengthen freedom is to direct our main efforts toward help in the fundamental requirements of the citizens of India, which are food, clothing, shelter, health, and education.

In saying that, I am not suggesting that we feed them, clothe them, shelter them, and teach them. I am suggesting that we apply our resources of experience and technical ability to assisting them in a cooperative effort to undertake these things for themselves.

If we offer assistance in these fundamentals, we will be engaged in a field of assistance where the Russians are not prepared to compete with us. There are, in addition, general policies in our assistance to underdeveloped countries which apply in India as elsewhere. To those I will refer in a subsequent talk.

Above all there should be a wide extension of personal contacts between the Western people and particularly those of our own country and the people of India. These personal contacts must be on the fundamental basis of the equality of human beings in the sight of God.

In making those contacts the Westerner meets many puzzling problems. One of them is what seems to us a limited view of the field of moral responsibilities. It seems to be no concern of the Indian that Communist imperialism is the greatest colonial empire-maker in the world today. So deeply engrained in the Indian consciousness is the problem of the color line that this new colonialism appears to him to be a matter of no concern so long as it is a tyranny of white people over white people. The dangers to people of all colors, races, creeds, and social institutions are not immediately apprehended since the color problem does not seem at the moment to be involved. The best contribution we can make to overcoming this curtain of misunderstanding between the East and the West is to revert to our own slow but continuous improvement in the relations between the white and colored people of our own country.

Mr. President, let it be said that India is politically our equal among the nations. It surpasses us in population. It is inferior to us in area and resources. But politically it is our equal. This we must recognize in word, in action, and in our inmost thoughts if we are to maintain such relations as will help to save Asia for freedom.

In the first of this series of talks our national interest was defined in these terms: It "lies in so directing our words and our acts that we may help to organize a world in which freedom, justice, and peace prevail, and which is the kind of



a world we would bequeath to our children and grandchildren."

This is the national interest of India also. If we can speak and act with sufficient wisdom, we and they can work together in a common cause.

Mr. President, in closing, let me express my regret at the way in which the intended visit of Mr. Nehru with our President has been canceled. The date set for that visit was from the 7th to the 14th of July. It is understandable that the President's convalescence has made that date an inadvisable one. It is unfortunate that practically simultaneously it was announced that the President would fly to the Conference of Pan-American Presidents in Panama on the 21st. Taken alone this is an understandable decision. Inevitably, however, it will be compared in the eyes and minds of the world with the decision to postpone the visit with Mr. Nehru.

The Conference of Pan-American Presidents is exceedingly important. It cannot, however, rank in importance with the necessity for a face-to-face conversation between our President and Mr. Nehru on which the whole fate of a great continent might well depend. It is imperative, therefore, that negotiations for a later conference should be undertaken at once. That conference should not be deferred for months. Let the world have some indication, some assurance, that the significance of the opportunity is recognized by us.

Mr. JOHNSON of Texas. Mr. President, if there are no other Senators who desire to address the Senate at this time, I shall move that the Senate stand adjourned until tomorrow, pursuant to the previous order entered.

First, I wish again to call the attention of the Senate to the fact that we may have a very late session tomorrow evening. I should like the RECORD to show that fact, so that all Senators should cancel other engagements, because we expect to have votes on the pending measure.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. Mr. President, I should like to repeat the statement which was made earlier today by the distinguished chairman of the Committee on Foreign Relations, the Senator from Georgia [Mr. GEORGE]. Although there is quite a bit of classified material which could not be presented in the committee report on the pending bill—and I am sure Senators can well understand that fact—as the distinguished chairman of the committee has indicated, any Member of the Senate who desires to examine the confidential worksheets which the committee itself had before it in the consideration of the bill, may do so by contacting the staff of the Committee on Foreign Relations in the committee room, which is located just below us in the Capitol. Any Senator who desires to examine the records may do so.

### ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 27, 1956, he presented to the President of the United States the enrolled bill (S. 2512) to amend the act of August 27, 1954, so as to provide for the erection of appropriate markers in national cemeteries to honor the memory of certain members of the Armed Forces who died or were killed while serving in such forces.

### ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 37 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, June 28, 1956, at 12 o'clock meridian.

### NOMINATIONS

Executive nominations received by the Senate June 27, 1956:

#### POSTMASTERS

The following-named persons to be postmasters:

#### ARKANSAS

Smiley F. Buck, Aitua Ark., in place of C. C. Pitts, deceased.  
Herschel A. Webb, Beebe, Ark., in place of Sarah Abington, retired.  
William E. Place, Parkdale, Ark., in place of J. H. Nobles, retired.

#### CALIFORNIA

Willabelle F. Spafford, Midway City, Calif., in place of J. E. Mixer, resigned.  
John W. Harding, Ukiah, Calif., in place of R. J. Cunningham, resigned.  
Harry A. Smith, Williams, Calif., in place of M. N. Harlan, retired.

#### COLORADO

Edward H. Hargraves, Creede, Colo., in place of P. A. Lemke, removed.  
Alyah L. Pearsall, Monte Vista, Colo., in place of J. D. Wilson, deceased.

#### CONNECTICUT

Joseph B. Raccone, Windsor Locks, Conn., in place of W. F. Rabbett, Jr., retired.

#### FLORIDA

Harry Beckner, Jr., Mango, Fla., in place of W. A. Lehmann, retired.  
John R. Higgins, Samoset, Fla., in place of W. D. Thomas, retired.

#### GEORGIA

Relta A. Williamson, Flintstone, Ga., in place of C. E. Rogers, resigned.  
Clara Jean S. Bentley, Palmetto, Ga., in place of E. B. Cotton, retired.

#### ILLINOIS

Raymond D. Manis, Ewing, Ill., in place of W. H. King, deceased.  
Stanley J. Fisher, Macomb Ill., in place of T. L. Roark, retired.

#### IOWA

Merle M. Funk, Monona, Iowa, in place of G. J. Carroll, removed.

#### KANSAS

Calvin C. Matteson, Manchester, Kans., in place of J. C. Swigart, retired.

#### KENTUCKY

Francis E. Ryan, Verona, Ky., in place of Mayro Hayden, resigned.

#### LOUISIANA

John W. Lewis, Jr., Alexandria, La., in place of J. L. Treadway, retired.

#### MAINE

Harold K. Joy, South Berwick, Maine, in place of J. P. Davis, deceased.

#### MASSACHUSETTS

Cecil B. Wheeler, Jr., Berlin, Mass., in place of R. E. Taylor, deceased.  
Walter Rinki, Lunenburg, Mass., in place of E. A. Brown, resigned.

#### MICHIGAN

Frederick M. Davenport, Constantine, Mich., in place of E. L. Wittenberg, transferred.

Clark E. Nogle, Plainwell, Mich., in place of S. J. Doster, retired.

#### MINNESOTA

Maurence A. Walline, Starbuck, Minn., in place of D. R. Wollan, transferred.

#### MISSISSIPPI

Marvin L. Lindsey, Nettleton, Miss., in place of J. C. Young, transferred.

#### MISSOURI

Eugene H. Terry, Exeter, Mo., in place of E. L. Smithson, retired.

DeRoy Frazee, Willow Springs, Mo., in place of J. W. Brown, Jr., resigned.

#### NEVADA

Virginia M. Rowe, Ruth, Nev., in place of I. W. Van Camp, deceased.

#### NEW JERSEY

Andree M. Schroeder, Lincoln Park, N. J., in place of F. W. Lyman, retired.  
Leora M. Wanamaker, Mahwah, N. J., in place of W. D. Finch, retired.  
Helen H. Stryker, Ringoes, N. J., in place of R. E. Berger, deceased.

#### NEW YORK

Donald J. Clark, Earlville, N. Y., in place of S. E. Morgan, resigned.  
Walter R. Ulmer, Treadwell, N. Y., in place of L. M. Oliver, retired.

#### OHIO

John R. Mericle, Bremen, Ohio, in place of C. T. Zwickel, retired.

Sam Verlench, Jr., Warren, Ohio, in place of R. E. Schryver, retired.

#### OKLAHOMA

Jack H. Justice, Maysville, Okla., in place of B. C. Sparks, transferred.

#### PENNSYLVANIA

Clark H. Freas, Falls, Pa., in place of B. M. Durland, retired.

Albert F. Hilliard, Horsham, Pa., in place of W. S. Knipe, resigned.

Claude B. Faust, Macungie, Pa., in place of F. E. Neumeyer, removed.

Earl G. Smith, Mont Clare, Pa., in place of C. R. Miller, deceased.

George Cassett, Somerset, Pa., in place of O. F. Sutcliffe, removed.

Herbert E. Readdy, Yeagertown, Pa., in place of E. L. Middleswarth, retired.

#### PUERTO RICO

Pablo Pedraza, Barranquitas, P. R., in place of Ricardo Pagan, retired.

#### SOUTH CAROLINA

Bennett C. Bedenbaugh, Prosperity, S. C., in place of J. M. Bedenbaugh, retired.

#### SOUTH DAKOTA

Lyman L. Bich, Cavour, S. Dak., in place of Josephine Tompers, deceased.









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 29, 1956  
For actions of June 28, 1956  
84th-2nd, No. 108

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HIGHLIGHTS: House agreed to conference reports on Export Control Act and Defense Production Act extensions. Ready for President. House received conference report on Defense Department appropriation bill. House committee reported bills to authorize Cache National Forest land purchases, and grant Congressional consent to Middle Atlantic forest fire protection compact. House committee reported fisheries bill. Senate debated mutual security bill. Senate passed military construction bill. Senate committee ordered area redevelopment bill reported.

## HOUSE

1. EXPORT CONTROL. Agreed to the conference report on H. R. 9052, to extend the Export Control Act of 1949 for 2 years. p. 10081 This bill is now ready for the President.
2. DEFENSE PRODUCTION. Agreed to the conference report on H. R. 9852, to extend the Defense Production Act of 1950, by a vote of 200 to 197. pp. 10081, 10082, 10084. This bill is now ready for the President.
3. APPROPRIATIONS. Received the conference report on H. R. 10986, the Defense Department appropriation bill for 1957 (H. Rept. 2529). p. 10083
4. FORESTS. The Agriculture Committee reported the following bills: pp. 10113, 10114  
H. R. 8898, with amendment, to provide an additional authorization of appropriations for the purchase by the USDA of lands in the Cache National Forest, Utah (H. Rept. 2504).  
S. 3032, without amendment, to approve the Middle Atlantic Interstate Forest Fire Protection Compact (H. Rept. 2517).  
Rep. Saylor was excused as a conferee and Rep. Pillion was appointed as a conferee on H. R. 6376, to provide for the hospitalization and care of the

mentally ill in Alaska, including a grant of not to exceed 1 million acres of public lands to assist in carrying out the program (includes lands eliminated from national forests). p. 10092

5. SCHOOL CONSTRUCTION. Began debate on H. R. 7535, to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms. p. 10092
6. RESEARCH; ORGANIZATION. The Armed Services Committee reported with amendment H. R. 11575, to provide for an Assistant Secretary for Research and Development for each of the three military departments within the Defense Department (H. Rept. 2506). p. 10114
7. PERSONNEL. The Foreign Affairs Committee reported with amendment S. 2569, to provide the State Department with certain basic authority relating to printing and binding outside the U. S., transportation and travel allowances for Foreign Service Officers, and certain household administration in connection with the activities of the State Department (H. Rept. 2508). p. 10114
8. INFORMATION; FAIRS. The Foreign Affairs Committee reported with amendment the following: p. 10114  
S. 3116, to provide for the promotion and strengthening of international relations through cultural and athletic exchanges and participation in international fairs and festivals (H. Rept. 2509).  
H. J. Res. 604, to authorize the President to invite the States and foreign countries to participate in the U. S. World Trade Fair to be held in N. Y., N. Y. from April 14 - 27, 1957 (H. Rept. 2518).
9. FOREIGN TRADE. Rep. Philbin commended the President for his action in the relief of the linen toweling industry by placing certain tariff increases on that item, and further indicated that this demonstrated an awareness by the Executive of the plight of the textile industry. p. 10111
10. FISHERIES. The Merchant Marine and Fisheries Committee reported with amendment H. R. 11570, to establish a sound and comprehensive national policy with respect to fisheries and wildlife; to strengthen the fisheries and wildlife segments of the national economy, and to create and establish within the Interior Department the office of Under Secretary of Fisheries and Wildlife, a Fisheries Service and Wildlife Service (H. Rept. 2519). p. 10114
11. CONTRACTS. Rep. Cooper requested and received permission for the Ways and Means Committee to file by midnight Sat. a report on H. R. 11947, to amend and extend the Renegotiation Act of 1951. p. 10081
12. TRANSPORTATION. The Interstate and Foreign Commerce Committee ordered reported H. R. 525, which would amend Sec. 22 of the Interstate Commerce Act by eliminating authorization for handling property free or at reduced rates for the U. S. and transporting persons for the U. S. Government free or at reduced rates. p. D705

SENATE

13. FOREIGN AID. Continued debate on H. R. 11356, the mutual security bill (pp. 10125, 10152, 10187). Rejected, by a vote of 43 to 45, an amendment by Sen. Young to limit the importation of agricultural commodities which are in surplus supply when no quantitative import limitations are in effect (p. 10166), and,



by a vote of 36 to 52, an amendment by Sen. Johnston to limit the importation of cotton textile products when the Secretary of Agriculture determines there is a surplus of cotton in the U. S. (P. 10177).

14. MILITARY CONSTRUCTION; SURPLUS COMMODITIES. Passed with amendments H. R. 9893, to authorize certain construction at military installations. The bill authorizes the Secretary of Defense to use for family housing construction in foreign countries, foreign currencies not to exceed \$250 million acquired through provisions of the Agricultural Trade Development and Assistance Act or other commodity transactions of the CCC. Conferees were appointed. p. 10138
15. POULTRY. Sen. Neuberger inserted two Labor Union resolutions favoring legislation for the compulsory inspection of poultry. p. 10117
16. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 2217, to provide for the transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs (S. Rept. 2379). p. 10118
17. MINING; FORESTRY. Sen. Neuberger inserted a newspaper editorial commenting on the Al Sarena mining investigation. p. 10129  
Passed without amendment H. R. 10872, to provide for an extension of time during which annual assessment work on unpatented mining claims may be made. Reconsidered the vote by which S. 3773, a similar bill, was passed on June 27, and further consideration of this bill was indefinitely postponed. The House bill will now be sent to the President. p. 10136
18. FOREIGN AFFAIRS. Sen. Flanders suggested certain techniques the U. S. should follow in providing assistance to underdeveloped countries. p. 10130
19. FLOOD INSURANCE. Sen. Lehman urged the passage of Federal flood insurance legislation this session, and inserted several letters on the matter. p. 10133
20. LABOR AND PUBLIC WELFARE COMMITTEE ordered reported the following bills: p.D703  
S. 2663, with amendment, to establish an effective program to alleviate conditions of excessive unemployment in certain economically depressed areas;  
H. R. 9260, with amendment, to extend the VA guaranteed loan program for 1 year until July 25, 1958;  
H. R. 7732, without amendment, to amend the Federal Food, Drug, and Cosmetic Act so as to provide for the regulation of the use of coal tar coloring for the outside of certain oranges.
21. LEGISLATIVE PROGRAM. Sen. Johnson announced that the calendar will be called on Mon., and there may be a Sat. session if action on the mutual security bill is not completed today. pp. 10187, 10227

#### ITEMS IN APPENDIX

22. FARM PROGRAM. Rep. Hayworth criticized the administration's farm program and inserted a Democratic Digest article, "Backing and Filling With Ike and Ezra." p. A5101
23. FOREIGN AID. Sen. Sparkman inserted a newspaper article, "Foreign Aid Needs More Study." p. A5104  
Rep. Miller, Neb., inserted a newspaper editorial commenting on an article written by Raymond Cartier of France who concludes that "there would be less

anti-Americanism in the world if America abandoned its philanthropic aspirations, its vocation of Santa Claus, its transcendental morality, all its missionary trappings, all its Boy Scout gear, and if, at last, it followed openly and intelligently the policy of its own interest." p. A5123

24. TEXTILES. Rep. Roberts inserted Donal Comer's, chairman of Avondale Mills, Inc., letter addressed to Gov. Sherman Adams pointing out the economic deprivation being suffered in the textile industry caused by the heavy, uncontrolled import of textiles from Japan. p. A5107
25. REA. Rep. Thompson, La., commended "the rural electrification program which is vital to the comfort, progress, and general welfare of so many..." and inserted a Southwest Louisiana Electric Membership Corp. resolution on this subject. p. A5111
26. FARM PRICES. Rep. Ostertag inserted an editorial, "Rising Farm Parity Ratio," and stated that "the editorial calls attention to the fact that the decline in farm prices, which began during the Truman administration, and continued, through at a far slower rate, under this administration, has at last been reversed." p. A5119
27. DAIRY; RESEARCH. Sen. Thye inserted an editorial paying tribute to Dr. William G. Petersen, a dairy scientist, of the University of Minnesota. p. A5123

#### BILLS INTRODUCED

28. POULTRY INSPECTION. H. R. 12016, by Rep. Anfuso, to provide for the compulsory inspection of poultry and poultry products so as to prohibit the movement in interstate or foreign commerce of unsound, unhealthful, diseased, unwholesome, or adulterated poultry or poultry products; to Agriculture Committee.
29. GRAIN STORAGE. H. R. 12030, by Rep. Vanik, to amend the Internal Revenue Code of 1954 to terminate for future construction the deductions for amortization of emergency facilities and grain-storage facilities; to Ways and Means Committee.

#### BILLS APPROVED BY THE PRESIDENT

30. APPROPRIATIONS. H. R. 9739, the Independent Offices Appropriation Act for 1957. The Act includes funds for the Civil Service Commission, Federal Civil Defense Administration, the President's disaster relief fund, Federal Power Commission, Federal Trade Commission, General Accounting Office, General Service Administration, Housing and Home Finance Agency, Interstate Commerce Commission, National Science Foundation, Selective Service System, and Veterans' Administration. Approved June 27, 1956 (Public Law 623, 84th Congress).
31. APPROPRIATIONS. H. R. 11473, the Legislative Branch Appropriation Act for 1957. The Act also provides funds for the Botanic Garden, Library of Congress, and Government Printing Office. Approved June 27, 1956 (Public Law 624, 84th Congress).

#### PRINTED HEARINGS RECEIVED IN THIS OFFICE

32. WATER RESOURCES; ELECTRIFICATION. Commission on Organization of the Executive Branch of the Government (Water Resources and Power Report). Part IX - Chicago, Ill. House Government Operations Committee.



concerns the so-called Capehart military housing.

As the Senator knows, military housing is very important, as one of the benefits designed to keep people in the service. The Senate passed a bill on this subject. The House has held up the bill, for certain reasons. Personally I do not believe that we should try to attach housing provisions to a military construction bill at this time. It would involve too many complications.

Does not the chairman of the subcommittee, the Senator from Mississippi, who is so familiar with all these questions, believe that if it appears that the housing bill is to be held up in the House and not passed, we should act promptly on a separate bill dealing with the so-called Capehart military housing, before the Congress adjourns?

Mr. STENNIS. The Senator from Massachusetts is correct. Some provision must be made for military housing. It would not fit into this bill at this late time. If the housing bill does not pass, we would look with sympathetic consideration upon the idea of having a bill reported which would meet the situation.

Mr. President, I offer a series of technical amendments to correct certain figures in the bill.

The PRESIDING OFFICER. The amendments offered by the Senator from Mississippi will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 77, line 11, it is proposed to delete the figure "\$7,332.00" and insert in lieu thereof the following: "\$7,332,000."

On page 80, line 21, it is proposed to delete the figure "\$600,000" and insert in lieu thereof the following: "\$660,000."

On page 91, line 24, it is proposed to delete "title IV;" and insert in lieu thereof the following: "title II:".

On page 95, line 2, it is proposed to delete the figure "\$299,409,600" and insert in lieu thereof the following: "\$299,512,600".

On page 95, lines 3 and 4, it is proposed to delete the figure "\$563,943,300" and insert in lieu thereof the following: "\$564,046,300".

On page 120, line 2, it is proposed to delete the figure "\$70,000." and insert in lieu thereof the following: "\$70,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Mississippi to the committee amendment.

The amendments to the amendment were agreed to.

Mr. CASE of South Dakota. Mr. President, I should like to say a few words of appreciation of the leadership of the Senator from Mississippi in handling this bill and conducting the hearings. I also express my appreciation for the fine contribution made by the Senator from Washington [Mr. JACKSON], growing out of his vast experience and knowledge in the field of missiles.

I should like to say more upon this subject. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I shall furnish later.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR CASE OF SOUTH DAKOTA

Mr. President, the chairman of the subcommittee, the Senator from Mississippi [Mr. STENNIS] has well covered the general scope of this authorization bill for military construction. I desire only to mention a few matters for the sake of emphasis.

First, however, let me say that this bill had more extended hearings, I think, than any like bill which has been presented to the Senate in recent years. The Senator from Mississippi devoted long hours over many days to taking testimony. His knowledge in this field and his ability to get at the facts were of great value to the committee. He dealt fairly with every witness and was most courteous to the other members of the committee in every respect.

And I should also like to commend the contribution to the work of the committee by the junior Senator from Washington [Mr. JACKSON]. His experience in, and knowledge of, the field of atomic energy and the development of missiles were of special value in developing the committee's conclusions regarding related facilities. It was a genuine pleasure to work with him on this bill.

The committee had the benefit, also, of extraordinary talents in Col. Kenneth Belieu as our clerk. He not only did the ordinary work one expects of a staff specialist, but gave us tireless research enriched by his background knowledge in military procedures. He has been one of the best clerks I have ever encountered in serving on a congressional committee.

With respect to the contents of the bill, I desire at this time only to speak of the decisions we were necessarily forced to make on matters that involve policy.

I refer, for example, to the proposals for installations involving the use of the defensive weapons of Nike and Talos. The press has carried much about these competitive weapon systems. The committee does not claim to have the expert knowledge that would let us scientifically evaluate their respective merits. We had hoped to have the benefits of a field test of some sort. That was not possible because of the incomplete development of Talos.

So, our committee was obliged to adopt a tentative decision. We delay the decision that must some day be made. In the meantime, I hope that an objective evaluation can be made of the merits of the respective systems by competent, objective people. That evaluation on the basis of laboratory and scientific standards can be made. It should be done before the military construction bill comes up next year.

A second illustration of a policy decision had to be made on the extension of the so-called DEW line, the distant early warning system. This is a tremendously costly thing—the DEW line. Its possible use and its capabilities lie in the realm of uncertainty. Let it seemed too much of a gamble not to proceed with what has been started.

For one, however, I hope that the General Accounting Office and the fiscal people in the Department of Defense will take a good hard look at the costs of the DEW line. Everyone knows that construction conditions are rough in many locations. But there should be some way to check costs, a better way than was brought to the attention of this committee to date.

The third matter I would mention has to do with the need for improving the security and usability of our bases.

In 1953, when this same subcommittee returned from its overseas inspection trip, we made certain recommendations relating to construction overseas. Number 1 of those recommendations was this:

"Greater care should be taken to insure the security and usability of bases on which the United States money is spent."

In support of that, we said:

"For example, (a) about \$5 million was expended on a field in Egypt, the use of

which is now denied to the United States. No firm rights were obtained before the money was spent."

Events of the past few days certainly lend force to the words we used. The election in Iceland is said to have imperiled the tenure of our great base built at Keflavik. The head of the new government in Morocco is now saying that the base agreements negotiated with France were obsolete, implying that our tenure of the bases in north Africa is insecure.

I need not argue the point. The significance of this matter must be apparent to everyone. Consideration of this problem led the committee to be receptive when testimony was offered for developing more bases in this country to handle the new heavy jet bombers. The bill as presented carries authorizations that would strengthen or develop a dozen bases in various parts of the country and make them capable of serving the big jets.

I shall not develop the figures on either planes or bases but will simply say that even with the increased number authorized for development, we will not have all we shall need.

These policy decisions which the committee was called upon to make are not normally anticipated in bills on construction, but those who read the printed hearings will realize how the decisions were an inevitable part of passing on the projects proposed in the bill. Naturally a great deal of the most important testimony was off the record on these matters but what was left on the record constitutes an impressive story.

In conclusion, Mr. President, I again express my appreciation of the opportunity to serve with the very able members of the Senate who constitute the Committee on Armed Services. They are devoted people, devoted to the security of the United States.

Mr. STENNIS. I thank the Senator from South Dakota. What little I have been able to accomplish has been made possible through the fine support of other members of the subcommittee.

Mr. BIBLE. Mr. President, let me add my words of commendation and thanks. The Senator from Mississippi has been most helpful and cooperative, as have the Senator from South Dakota [Mr. CASE] and the Senator from Washington [Mr. JACKSON].

Mr. STENNIS. Mr. President, we appreciate the efforts of the Senators from Nevada [Mr. MALONE and Mr. BIBLE] in presenting the merits of the problem at Fallon. The people of Nevada have been very ably represented before our subcommittee by their two Senators. They were very helpful to us. I hope some adjustment can be arrived at which will keep the Fallon Air Base in operation, and at the same time meet the local situation.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSON of Texas. I suggest the absence of a quorum.



The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Shall the bill pass?

The bill (H. R. 9893) was passed.

Mr. STENNIS. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. STENNIS, Mr. JACKSON, Mr. SALTONSTALL, and Mr. CASE of South Dakota conferees on the part of the Senate.

Mr. STENNIS. Mr. President, I wish especially to thank Col. Kenneth E. Belieu for his very fine and helpful services to the subcommittee during the months of hearings and consideration of the bill. His work has been outstanding and helpful. He has a fine background as an excellent soldier, and has a fine understanding of both military questions and the practical side of the problems involved.

Mr. CASE of South Dakota. Mr. President, I wish to associate myself with the remarks of the Senator from Mississippi about Col. Belieu. I expect to say something about him in the statement I shall submit later for inclusion in the RECORD.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, notified the Senate that Mr. PILLION had been appointed a manager on the part of the House at the conference of the two Houses on the bill (H. R. 6376) to provide for the hospitalization and care of the mentally ill of Alaska, and for other purposes, vice Mr. SAYLOR, excused.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9852) to extend the Defense Production Act of 1950, as amended, and for other purposes.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 906. An act for the relief of William Martin, of Tok Junction, Alaska;

H. R. 909. An act for the relief of Charles O. Ferry and other employees of the Alaska Road Commission;

H. R. 1963. An act for the relief of Mr. and Mrs. Clarence M. Augustine;

H. R. 9052. An act to amend the Export Control Act of 1949 to continue for an additional period of 2 years the authority provided thereunder for the regulation of exports;

H. R. 9072. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agen-

cies, for the fiscal year ending June 30, 1957, and for other purposes;

H. R. 9720. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957, and for other purposes;

H. R. 10003. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1957, and for other purposes;

H. R. 10766. An act to authorize the payment of compensation for certain losses and damages caused by United States Armed Forces during World War II; and

H. R. 10872. An act to provide for extension of the time during which annual assessment work on unpatented mining claims validated under section 2 of the Act of August 11, 1955, may be made, and for other purposes.

#### MUTUAL SECURITY ACT OF 1956

The Senate resumed the consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. As I understand, under the unanimous-consent agreement entered into yesterday, the Senator from Louisiana [Mr. ELLENDER] will be recognized at this time.

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. Mr. President, I wish the RECORD to show that I am very deeply indebted to the Senator from Louisiana for his understanding and for his graciousness and for his truly cooperative attitude on matters affecting the Nation. I appreciate his cooperation very much.

Mr. ELLENDER. Mr. President, I thank our distinguished majority leader for the compliment. For the past hour I have been sitting here in amazement watching our fine majority leader at work. I can state from personal knowledge that he really gets what he goes after. I can vouch for the good job he is doing. Yesterday he persuaded me to forego a 6-hour speech that I had planned to make today on foreign aid. He is indeed a good operator, and he knows how to get the job done. I wish to take this opportunity to compliment him, and to sincerely and from the bottom of my heart, commend him for the exceptional manner in which he has been able to facilitate and expedite the work of the Senate.

Mr. President, it was my privilege last year to make another personal inspection of overseas missions. As a matter of fact, this was my fourth complete circuit of the world by air. On this trip I had occasion to visit 22 countries, in all of which I made notes and recorded my observations on the manner in which our foreign aid program is being operated, as well as a detailed study of our embassies and legations operations, and the United States information program. On the desk to my left are the individual country reports made by me on all the countries I visited. The stack measures probably a foot in thickness.

In addition, I hold in my hand the diary which was written by me on the trip. It consists of 328 pages, and it contains the observations made by me as to conditions I found in the countries visited.

A few days ago the country-by-country reports to which I have just referred, plus pertinent parts of my diary, were filed with the Senate Committee on Appropriations. It is my hope that members of the Committee on Appropriations, as well as other Members of the Senate, who desire to inform themselves of the operations of our Embassies and legations abroad, as well as the way our information program and our foreign-aid program is being administered, will take the time to consult these records. I am happy to make available to them on a confidential basis, my findings and observations.

Mr. President, I devoted much time last year to this inspection of our foreign missions. Immediately upon my return from abroad, I boarded a chartered plane with the members of the Senate Committee on Agriculture and Forestry and proceeded to hold hearings at the grassroots on the farm problem, out of which hearings developed the the farm bill that became law in April.

From the middle of October of 1955, and until April of this year when the farm bill was approved by Congress, practically all of my time was spent in that endeavor. Then, beginning in the latter part of March, I opened the hearings on the public works appropriation bill. These hearings before the Senate Appropriations Subcommittee on Public Works, continued for more than 2 months; we heard over 650 witnesses; as Senators know, the public works appropriations bill was not finally enacted into law until yesterday.

Mr. President, I am relating these facts merely to explain why I was unable to complete until now my report on our overseas missions. I had planned on having the report in the hands of the Committee on Appropriations not later than March, but because of the two time-consuming tasks I had to perform in the meantime, I was unable to do so until last week.

I repeat, Mr. President, that I hope this report will not have been made in vain and that Senators will obtain some benefit from reading it, it will offer particular advantage to any Senator who is interested in seeking information on specific country programs.

Mr. President, as I have stated on many occasions, I cheerfully voted in 1948 for the so-called Marshall plan in the hope that our great country might be of assistance to our neighbors across the seas who had been devastated by war. I agreed with the advocates of the Marshall plan, that by assisting our Western European allies financially, we could revitalize their industry and improve their agriculture to the point where, within a space of a few years, they could produce both industrially and agriculturally to the same level or even at a higher level than they were able to produce prior to the war—that is, in 1938.



The second year that Mr. Hoffman appeared before our committee, he established our goal. Mr. Hoffman indicated to us that if by spending approximately \$18 billion within the space of 4 or 5 years we could increase the industrial capacity of the countries of Western Europe by 125 percent of prewar; he indicated that upon reaching this goal, we could withdraw from the scene and those nations would be able to carry on without outside assistance and moreover could, no doubt, assist us in bearing the load in other areas of the world.

I should like to point out, Mr. President, that I never opposed any of the foreign-aid programs except within the past 2 or 3 years. I have tried my best in past years to reduce many of them in the light of the studies which I made. I am seeking a major reduction this year. At this time the countries of Western Europe are better off than they have ever been before. Instead of having reached a goal of 125 percent prewar for industrial production, the average for Western Europe today is 157 percent of the industrial production level that existed before the war.

Surely, Mr. President, when all of us voted in prior years for the huge sums which have been expended for foreign aid, when we asked our taxpayers to carry this huge burden, it was with the understanding that upon those nations getting back on their feet they would carry their own burdens and in addition help us to carry the burden of maintaining freedom in Asia and other parts of this troubled world.

But what has occurred, Mr. President? What does the record show? We have, through this current fiscal year, spent under the Marshall-aid plan and under our past and present mutual-security programs, including not only foreign military aid but foreign economic aid as well, the staggering sum of \$47,126,600,000. The record shows that after the war but prior to 1948, huge gifts and loans were made to our friends across the seas under UNRRA and other programs, which sums are not included in the \$47 billion total. It does not include the amounts we made available to those countries by way of purchases from us after the war, whereby we received about 10 cents on the dollar for goods, wares, and merchandise, hardware, airplanes, and other items in many parts of Europe. During World War II we had stored much oil, much gasoline, many tanks, tractors, and all kinds of merchandise, including clothing, and so forth, amounting to more than \$6 billion.

That was made available to the British at 10 cents on the dollar, with the provision that repayment of the 10 cents on the dollar would be made over a period of years, and that we could not spend any of that 10 percent except within the United Kingdom or some British possession.

Mr. President, since the termination of World War II we have spent upon our friends across the seas the enormous sum of \$53,151,468,000, and there remains in the pipeline, appropriated but unspent, an additional \$9 billion for

carrying on the current military and economic aid programs.

Mr. President, that is not all. We have not stopped at that. As we all know, we entered into an alliance called NATO. I think that in voting to have the United States become a member of NATO, all of us felt that Europe, having made the recovery that is hers, would give assistance to us in providing the hardware, the tools, and so forth needed to perform at least her part of the NATO contract.

But such, Mr. President, was not the case. As the record will show, we are now paying for a substantial part of the cost of NATO. We have assumed from 38 to 40 percent of the amount which our friends across the seas should contribute toward their NATO obligations. That amounts to a huge sum. It is over and above the huge amounts about which I have just been talking.

Was that all? Of course not. We had a program to build airfields all over Western Europe and north Africa. Did we get assistance from any of our friends who are just as prosperous, if not more prosperous, than we? No. We had to spend in addition to all these amounts I have just stated, on our own, tremendous sums for the construction of overseas airbases and other facilities. I shall not state where these amounts were spent or where the airbases are located. Perhaps that is known. All I shall do is to place the total amount involved in the RECORD, because the other information, as the distinguished Senator from Georgia [Mr. GEORGE] stated yesterday, is more or less confidential. If Senators want the details on that subject, they must go to the Committee on Foreign Relations to obtain it.

If certain amounts have been allocated for military purposes, but there has never been a purchase of the hardware or other equipment required to equip certain armies in Western Europe, I can well understand that it might be damaging to supply those details.

But why in the name of commonsense should there be objection made to stating where the money will be spent on foreign aid other than military aid, I cannot understand. Yet there is that restriction. I have before me a large amount of evidence which I should like to present, which I have obtained from the clerk of our committee, on both non-military and military aid, but I cannot give it to the American people. Why? Because of an inhibition which has only this year been placed on the disclosure of such information. Why should that be? I should like to have an explanation from members of the Committee on Foreign Relations.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield, provided I do not lose the floor.

Mr. McCLELLAN. I must leave the Chamber in order to attend a committee meeting, but I desire to commend the Senator from Louisiana for his remarks on the issue he is discussing—the issue of secrecy. The point has been reached where we in Congress cannot get information about expenditures. I shall have

some remarks to make on this subject before the bill comes to a vote. I have submitted, to be printed and to lie on the table, amendments in which I feel certain the Senator from Louisiana will be interested.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield, provided I do not lose the floor.

Mr. O'MAHONEY. I wanted to ask the Senator from Arkansas if he noticed in the RECORD this morning that yesterday I submitted, to be printed and to lie on the table, an amendment which I think will cover exactly the practice to which the Senator from Arkansas has found so much objection.

My amendment, which I intend to call up at the appropriate time, adds a new section to the bill and reads as follows:

"Sec. 538. Furnishing of information to congressional committees: Upon the request of any appropriate committee of the Senate or House of Representatives, any joint committee of the two Houses, or any subcommittee of any such committee, any officer or employee of the Government having information, or having custody of documents or other data, relating to the programs being administered under this act, shall promptly furnish any such information, documents, or other data to such committee or subcommittee.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. McCLELLAN. I compliment the Senator from Wyoming for offering that amendment. I have offered one similar to it to be printed and to lie on the table.

I think this is a serious matter. I have not submitted my amendment, nor shall I support the amendment offered by the Senator from Wyoming, merely from a mere light, inconsequential motive. We have reached the point in this country and in the Government where congressional committees are being denied material and documents, in the possession and custody of the executive branch of the Government, which Congress needs in order properly to perform its legislative duties. We are being denied that information.

On the other hand, we find that the administration is giving out material and documents, which are obviously of a more highly classified and secret nature than those which are being denied Congress, for the purpose of enabling some reporter to write a book.

Mr. ELLENDER. I am in thorough agreement with the amendment which the distinguished Senator from Wyoming has just read. This new policy of denying Congress information relating to foreign nonmilitary expenditures is something which I simply cannot understand.

Mr. O'MAHONEY. The executive branch has drawn an iron curtain down around itself.

Mr. ELLENDER. The evidence is abundant that we are preaching democracy in Korea and Formosa, yet our foreign aid administrators are teaching the people of those countries socialism. That may be the reason why we cannot get the details of how the money is being



spent or is to be spent. I am here to tell Senators that we have spent millions of dollars in Korea in order to build flour mills. Korea does not produce wheat. The mills are owned by the Government. We have built pharmaceutical houses that are owned by the Government. There are many other enterprises of that nature which are being built with American taxpayers' money and turned over to the Korean Government to operate.

Whether our Government officials are simply trying to prevent an exposé of operations of that kind, I do not know. But I serve warning here and now that as a member of the Committee on Appropriations, I shall do my utmost to obtain the details, to ascertain where and for what purposes all these huge sums which are being now appropriated, and which have been appropriated but are not yet spent, will be spent. I want to learn the details about each country's program. Whether or not I can make the information available to the Senate and to the taxpayers of our country, I do not know; but I shall certainly try to do so.

Mr. O'MAHONEY. If the amendments which I shall propose are adopted—and I think they ought to be adopted—it will be possible for the committee which appropriates the money to know what it is doing. It will not have to continue to appropriate, with a blindfold, money belonging to the people of the United States.

Does the Senator believe for one moment that the people of the United States are being informed of the fact that the billions of dollars authorized to be appropriated in the bill are authorized to be appropriated to the President, and only to the President?

I read from page 27 of the bill, paragraph 3, beginning on line 12:

There is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$925 million which shall remain available until expended.

Here we are being called upon to appropriate to the President money which shall be available until it is expended, and no committee of Congress shall dare ask an executive employee what is being done.

Who is the President, according to this bill? He will be whoever may be elected in November. This is not money which is being appropriated to any idol of the people; it is money being appropriated to the man who fills the office; and we have been told by good Republican authority that the decisions of the President for the most part are being now made by the assistant to the President, the former, very able and distinguished Governor of the State of New Hampshire, Mr. Sherman Adams. We read in the newspapers and editorials references to the regency. Are we going to appropriate money without it being set forth clearly in the bill that reports will have to be submitted, giving the name of anybody who takes any part in the administration of the particular sum? Unless we so provide, I say to the Senator, with his indulgence, we are undermining the foundations of congressional authority in the United States.

Mr. ELLENDER. Not only should the committees of Congress be told, Mr. President, but the taxpayers of the Nation ought to be informed as to how these moneys are being spent. I am not here today urging that the people ought to be given the details of how many rifles we are buying and to whom they are being handed, or other military information which obviously must not be disclosed for security reasons, but when it comes to the spending of non-military foreign-aid funds, I do not see or understand why any of that information should be kept from the people.

In connection with our discussion, I refer to page 34 of the hearings held by the Foreign Relations Committee, when the subject of 10-year commitments on foreign aid were being discussed. Mr. Dulles had this to say:

I doubt very much the wisdom of submitting to Congress the details of these projects. Congress has appropriated a very considerable amount of money which has gone to make up the capital of what we call the world bank, but there is a certain confidence that the management of the world bank will use that money prudently and wisely, and I would hope that there will be sufficient confidence in the administration so that it would not be necessary to submit specific projects as such to the Congress.

Mr. O'MAHONEY. May I ask the Senator if the reference is to the world bank?

Mr. ELLENDER. Mr. Dulles compares this phase of the foreign-aid program to the world bank. He states that since the world bank is not bound to give the Congress details, why should we get details from the foreign-aid administrators? In other words, why should we not trust the administration to spend all of these funds overseas without a full accounting being made to Congress?

Mr. O'MAHONEY. But do we know whether or not this is the world bank or the bank which is going to make the loan to build the great Aswan Dam on the Nile for Egypt, which has just established a totalitarian government? Do we know?

Mr. ELLENDER. I know as well as does the Senator from Wyoming that there is something going on there, and I believe the American people ought to know how far we are going, even if the world bank is to handle the money. For that matter, this country contributes most of the money to the world bank. We furnish 65 percent of its capital, if I remember the figures correctly. Why should the Congress not be told about these huge foreign loans?

Mr. O'MAHONEY. There is no reason why we should not be told. I am happy the Senator is taking advantage of the opportunity to state the facts which have come to his attention with respect to this matter.

Mr. ELLENDER. Mr. President, before being interrupted—and I wish to make it clear that I do not mind interruptions—I was trying to show the huge sums we have spent, in addition to the sums mentioned by me, on foreign-aid programs, both military and nonmilitary.

Now, in addition to those sums, we have spent, up to June 30 of this year, for construction programs in foreign coun-

tries—countries that are well off today, countries that should assist us because of the help given by us to them under the Marshall aid plan—we have spent \$2,817,710,000 to construct facilities designed not only to protect us, but to protect them as well.

We have spent on offshore procurement in the United Kingdom, France, and other countries, the huge sum of \$2,771,147,000. That was for offshore procurement of materials of war that were manufactured by our overseas friends. They made profits out of those sales, and the military items produced by those countries and purchased by us, were then turned over, free of charge, to our NATO allies.

It is true that the amount I have just mentioned is a part of the military-aid program, and is included in the overall total; the point I am trying to stress is that not only has this huge amount been handed over as a gift to our friends who are well able to take care of themselves, but our friends across the seas undoubtedly made profits from those transactions.

I am sure that many Senators will remember that approximately 2 or 3 weeks ago, France sent 12 airplanes to Israel. The United States did not send those airplanes to Israel; but those 12 airplanes were built in France with United States funds, and then were given by France to Israel. I could cite numerous other cases, which have been reported publicly—although that is the only one about which I know the details—in which these funds have been used to make expenditures in France, in Belgium, in Portugal—in fact, in practically every country in western Europe—to purchase materials of war for the NATO members. By using our money to purchase overseas rather than procuring from the United States, the economics of those countries have been given a further boost.

As I have said, all of this has been done in addition to the huge foreign aid grants we have made. Yet today our country owes more money than all the other countries of the world combined. We still continue to be blood-sucked for more and more by our friends, who argue that we must continue to make these funds available to them, or the mutual defense program will collapse.

Mr. President, I ask any Senator here to find any justification for continuing to give military or economic aid to a country such as Belgium. In all of Western Europe there is no more prosperous country than Belgium. Belgium owns the great Belgian Congo, in mid-Africa, and from the Belgian Congo we purchase millions of dollars' worth of materials each year. The Belgian Congo is a prosperous colony, rich in natural resources. I visited there 3 or 4 years ago; at that time the Belgian Congo not only had balanced its budget, with some \$5 million to spare, but also boasted a surplus of more than one-quarter of a billion dollars. Yet we were spending money in the Belgian Congo, to assist the Belgians.

Mr. President, it seems to me we have reached the end of the road. The



printed hearings, which we have on our desks, contain all the evidence which was presented before the Foreign Relations Committee. I have been unable to find in them where any effort was made by our officials to ascertain how much assistance we might obtain from our friends. No such effort was made. A few questions were asked Mr. Dulles by members of the committee, and Mr. Dulles said he would furnish the information. That was back in March, and the Senate is still waiting for the information. On the basis of the evidence before us, it appears that no effort is being made to cause our allies who are prosperous today to assist us in carrying this load.

Mr. LONG. Mr. President, will my colleague yield?

The PRESIDING OFFICER (Mr. WOFFORD in the chair). Does the Senator from Louisiana yield to his colleague?

Mr. ELLENDER. I yield for a question.

Mr. LONG. The only good excuse which could be offered for giving our funds to help arm Belgium—which, after all, is not making as great a contribution, relatively, as we are making for defense purposes—would be that Belgium might not have the dollars with which to pay. Sometimes that excuse is offered. If my colleague will examine page 925 of the hearings, he will see that last year Belgium increased her holdings of American dollars from \$1,039,000,000 to \$1,198,000,000. In other words, during the last year she increased her dollar holdings by almost \$160 million.

Mr. ELLENDER. And a similar improvement in dollar balances—although perhaps not to the same extent—can be shown for most of the other European countries we are now helping and for which the pending bill provides further assistance.

Belgium owns the Belgian Congo; we buy from the Congo large amounts of uranium and various other metals; American companies make many other purchases there, including coconut and other oils among other things. The Belgian Congo is very prosperous, and its wealth provides an abundant income for Belgium.

Why our advisers on the Washington level should ask, in connection with this bill, that we contribute many millions of dollars—I am not permitted to say how many—for further assistance to a country that is actually as prosperous as we are, if not more so, I cannot understand.

Mr. LONG. Mr. President, will my colleague yield further to me?

Mr. ELLENDER. I yield.

Mr. LONG. From the same chart, which relates to the 14 countries in Europe for which aid is proposed, we see that during the period from 1954 to 1955 those 14 countries increased their dollar balances by almost \$1 billion. Yet we are told that they cannot afford to pay their share.

Mr. ELLENDER. Well, I will say to my colleague that, if we continue to spend at the rate we are now going, then, as I have often stated, we are bound to lose our way of life. If, by means of over-

taxation, initiative in this country is destroyed, just think what will happen.

The only salutary thing about our debt is that we owe it to ourselves. If we owed it to foreign governments, there is no telling what would happen.

Mr. President, to judge from my mail, I would say that the American people are getting sick and tired of these giveaway programs—programs of gifts to countries which are well able to take care of themselves, or at least are well able to take care of their fair share in this assistance effort.

This is labeled a “mutual security program,” but there is nothing mutual about it; we are carrying the entire load.

Mr. President, included in the bill is an item for research and development. This is not a new authorization. It has been going on for some time. Why, I may ask, we should increase the funds for research and development; why we should undertake to help pay for Western Europe's military research program as well as our own is beyond my comprehension.

As I pointed out several days ago, we are spending more than \$5 billion for our own military research and development, and for facilities necessary for that work. During the last 3 years, our allies have been spending, altogether, \$49,077,000 for similar programs abroad and big-hearted Uncle Sam is putting up approximately \$65 million of our money—over and above the domestic research and development effort—for those foreign projects.

Mr. President, the whole scheme is just beyond all reason. Why cannot those countries carry their own research load; why should not they be willing cheerfully to give to us—for their own protection, as well as for ours—any discoveries they may make. But, no; at the Washington level, as well as abroad, those who are desirous of spending American dollars have succeeded fairly well in convincing some Members of the Senate that we have to put our money in the kitty, too.

A moment ago I mentioned that we are building air bases in Europe and north Africa. We are spending substantial amounts for those installations—which guard Europe as well as America against attack—but our allies under this so-called mutual security program do not give us one iota of assistance. However, this is not all. We are spending hundreds of millions of dollars in southeast Asia to do the same thing. We have bases in Japan, in Okinawa, in Formosa, and in the Philippines. Are we getting any assistance from our friends in these localities? Are the Australians helping us? They are not. Are the New Zealanders? They are not. Yet, these countries should be more interested in the security of that area than we are. I visited Australia 2 or 3 years ago. It is a very prosperous country. In my opinion, the Australians for instance, could well afford to help us pay the bills for defending and developing southeastern Asia. But they are not. Good old big-hearted Uncle Sam is carrying the whole load of not only building the bases, but supply-

ing the airplanes, technicians, and everything else in order to operate them.

General LeMay recently appeared before the Senate Appropriations Committee. He is “sold” on the Strategic Air Command. He believes—and I am sure he is honest about it—that the Air Force is the most important branch of the service, and that the most potent arm of the Air Force is SAC—which could deliver the blow which would crush any enemy who might dare to tattack our Nation. I asked General LeMay, “How much are our allies contributing to the building and maintenance of air bases? How much are they doing in the way of creating a great retaliatory striking force? The answer was that they are contributing not a single dime. The burden is all being carried on the shoulders of Uncle Sam and the taxpayers of this country.

My plea, in connection with the measure before us, is that we cut to the bone many of the authorizations carried in this bill. I am satisfied that if an effort were made to get our friends to assist us, we might get somewhere. But judging from the record before us, no effort is ever made to get assistance from our friends. It seems to be too much trouble to even make the effort, as I found in Korea, for example, in connection with a plan to rehabilitate that land.

The United Nations offered to rehabilitate Korea. Various countries contributed to a fund of \$250 million. We promised to put up about 65 percent, as I remember the figure. The U. N. did not raise the \$250 million; it raised only about \$175 million or \$180 million. But the U. N. went to work on rehabilitation. When our people went there, that plan was too slow for them. They said, “We cannot work through the United Nations. It is too slow.” Uncle Sam decided to undertake the job. Today we are spending in that area more than \$1 billion a year in order to assist Korea.

I believe there should be an end to these expenditures. We cannot afford to continue spending as lavishly as we are; we cannot afford to carry the whole load, without the assistance of our so-called allies and retain our way of life.

What is the situation in Western Europe today? What is the attitude of our NATO friends? I say, Mr. President, that we hear more war talk in the United States than one hears in any country in Western Europe, or in Asia, for that matter. I am sure that many Senators have read an editorial from the Manchester Guardian of May 2, 1956, which was reprinted in the U. S. News & World Report for May 18, 1956, stating that NATO is about to fall apart.

I hope that is not true. I hope that NATO can be maintained, and that the countries which formed the alliance with the United States will get together and at least live up to the contracts which were formally made when NATO was born.

It may be that because of new weapons which have been found, the size of NATO forces can be reduced. But those forces should be reduced by order of the NATO commander, by order of the coun-



tries involved, not by allowing each country to act for itself.

This editorial from the *Manchester Guardian* mentions the fact that France took her troops out of the NATO structure without consultation. France said, "We need them in north Africa, and we are going to take them out." That is what happened. She did not ask permission of NATO. France merely removed her soldiers who supposedly were there to assist if the worst were to come. They were picked up almost bodily and taken to north Africa. If France is able to do that, and cannot be stopped from doing it, I ask, why have NATO? If the British can pull out at any time they choose and go off to fight in Cyprus, and leave good old Uncle Sam holding the bag, with the six divisions we have there, what purpose does NATO serve?

All of us are acquainted with what Mr. Dulles said some time ago, to the effect that he thought NATO should be reorganized, and that we should not place so much emphasis on the military aspect of the NATO pact. He said he thought something else ought to be done with NATO. All of this indicates, as the article to which I have referred sets forth, that something is happening to NATO—that it is weakening; that the NATO countries are desirous of pulling out.

It would be a great pity if anything should happen to NATO, in view of all the money we have invested in it, and in view of the protection it would afford the free world if it were maintained as first contemplated.

Mr. President, I ask unanimous consent to have printed in the *RECORD* at this point as a part of my remarks the entire article from the *Manchester Guardian* to which I have referred.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

[From the U. S. News & World Report of May 18, 1956]

#### NATO IS FALLING APART: A BRITISH VIEW

(EDITOR'S NOTE.—Following is full text of an editorial, *Rhine Armies*, from the *Manchester Guardian* of May 2, 1956.)

Much has been said of the nonmilitary questions which the North Atlantic Council will discuss this week, but little has been said of its military business. Mr. Dulles, M. Mollet, and Mr. Pearson have talked of broadening NATO (North Atlantic Treaty Organization) into political and economic fields. Nobody, however, has said anything in public about the disagreeable military facts which the Council ought to face.

When Mr. Dulles says that "the unanimity of our thinking upon the great basic issues makes it apparent that the time has come to advance NATO from its initial phase into the totality of its meaning," he means that, militarily, NATO is falling apart.

The French have stripped their contingents in Europe to reinforce north Africa. The West Germans have failed to pass a conscription law and are refusing to pay their share of common defense costs. The Belgians and Dutch are turning a deaf ear to General Gruenther's renewed appeal for a 2-year period of conscription. There is, in short, no prospect that General Gruenther or his successor will get the troops which were promised for the defense of Western Europe. He now has about 12 divisions where he was supposed to have about 25 or 30.

Militarily, the 12 are ineffective. They are too few to hold a front, even with atomic weapons, and they are backed by negligible reserves. This is what the Council should discuss. The Council shirked it in December, although the military disintegration was plainly to be seen. It is even plainer today. The nonmilitary aspects of NATO are important, but secondary. The primary business of the North Atlantic Council is defense, and it should not again run away from its awkward duty.

What should be done? The first thing is to drop the pretense that the forces in Europe are going to be completed, and the second is to devise a strategy in keeping with the troops and aircraft which will be available.

The continental countries are going to devote less money and fewer men to defense, not more. The French cannot be blamed for treating North Africa as more urgent than Europe, for the immediate threat is there. What the Germans will do is anybody's guess, but they evidently do not feel in any great danger of attack from the East, or they would be rearming in a hurry. Is it, then, necessary for the British and Americans to continue spending a large amount of money on their forces in Germany?

Perhaps not. For defense of the central front in Europe, we might rely chiefly on the threat of massive retaliation—which, in fact, is what we are now doing anyway. The threat might be more effective as a defense if it were explicitly acknowledged. Instead of falsely pretending that there will be sufficient forces on the ground and in the skies over Germany to repel attack there, the North Atlantic Council could say openly that any move forward by Communist forces would be met by all-out war.

If it is correct that the Russians have abandoned thought of direct military advance in Europe, as many people seem to think, the threat of massive retaliation is an adequate protection, and we do not need the Rhine armies. If that is not correct, and it might not be, we had better not try to bluff with General Gruenther's skeleton forces. The Russians, who can estimate their worth, are aware that they could offer no effective resistance in their present numbers. But their weakness might tempt the Soviet Government into action, if it were at all inclined that way, unless the threat of retribution on Russia was alone sufficient to hold the Soviet Government back. And if it is sufficient, why waste millions of pounds and thousands of men on the ordinary forces?

There are two snags. First, the possibility of nibbling at points on the periphery. The threat of massive retaliation may be effective against an invasion of Western Europe, but not against Soviet pressure for frontier revision in northern Norway or against Bulgarian demands in Thrace. The Americans are not going to risk the destruction of New York or the British of London for the sake of a few square miles of ice-bound Arctic land.

Yet if there were no means of resisting pressure, nibbling could not be stopped. The remedy lies in a small number of highly mobile units, available to go at once to any threatened part of the NATO area. The places where they might be needed can be listed—Spitsbergen, northern Norway, the Baltic Islands, the mining districts on the Saxon border, possibly Trieste, Macedonia, and Thrace, and the Turkish toe of Europe.

Units ready to move to any of these would be of greater value now than the incomplete field formations in Germany. What is more, these troops should not be equipped with tactical atomic weapons, as our forces in Germany are now being. It seems folly to provide atomic weapons which would turn a small action into all-out war. If a clear distinction had been drawn between tactical and strategic uses of nuclear weapons, and

if the distinction were widely understood by public opinion and governments of East and West, the smaller atomic weapons would have some value. But no such distinction has been publicized. That is another matter which the North Atlantic Council has been unwilling to tackle.

Apart from the risk of nibbling, the second snag about disbanding the Rhine armies would lie in the political consequences. Could it be done without weakening American ties with Europe? And would it not, in spite of Western Germany's unwillingness to share the burdens of alliance, cause a great shock there? Perhaps it would, but to cause the shock might be better than continuing to spend money on ineffective forces. That, at any rate, is what the council ought to be discussing.

Mr. ELLENDER. In connection with the statement I have just made, in the last issue of *Newsweek* dated July 2, 1956, there is an article on page 36 under the headline "British Defense Cutback—Lure to the West?" The article reads in part as follows:

Britain is planning a sweeping cut in its military defenses. It wants the United States and the rest of the western-alliance nations to do the same.

This week, Chancellor of the Exchequer Harold Macmillan announced that defense spending would be slashed by \$200 million as a starter.

I have been wondering what prompted this administration to ask for an increase in military aid over and over the amount we provided last year. Might not the answer be found in this article?

I read further:

The economy ax had already deactivated the entire British Antiaircraft Command and is closing Scapa Flow, Britain's storied naval base of both world wars.

"The cuts," *Newsweek's* Eldon Griffiths cabled from London, "herald what Sir Anthony Eden's Government expects will be a fundamental reassessment of the defense system of the whole western alliance."

Many of us, including some members of the Committee on Foreign Relations, took the position that a reevaluation of the entire aid program, particularly military aid, should be undertaken. I believe that should be done. However, while this is in progress why should we give more money to these countries? At the very most, we cannot sensibly afford to give more than we gave last year. At the same time, we should further investigate the aid situation, further evaluate it, and determine the extent to which our friends abroad are to be given additional assistance in meeting their NATO obligations.

From all I have heard, many of the countries are in the process of withdrawing from NATO and cutting their defense budgets. However, so far as we are concerned, we are increasing our overseas military aid—we are raising the ante so as to offset budget cuts in foreign lands.

Mr. President, I ask unanimous consent that the entire article from *Newsweek* be printed in the *RECORD* at this point in my remarks.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

#### BRITISH DEFENSE CUTBACK—LURE TO THE WEST?

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and the rest of the Western alliance nations to do the same.

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"The cuts," *Newsweek's* Eldon Griffiths cabled from London, "herald what Sir Anthony Eden's government expects will be a fundamental reassessment of the defense system of the whole Western Alliance."

London insists that the West cannot afford to spend vast sums on conventional tanks, guns, and even aircraft that may be useless in a nuclear war that may never come. With the Kremlin switching from armed aggression to commercial penetration, it is more important, they say, that the democracies maintain strong economies. In Britain's case, according to the Cabinet, this can only be done by reducing arms spending.

This line of thought has generated months of bitter argument and table thumping along Whitehall. The problem: How to get maximum defense in the hydrogen age from a minimum amount of money?

#### NEW NEW LOOK

A broad blueprint of what some Britons call "the second new look" has now emerged. In it is a reassuring determination to consult the United States before making any great change. But Washington is likely to produce agonized shouts, nonetheless. For, in essence, the second new look envisions a one-third reduction in British defense spending (now nearly \$5 billion yearly.)

No one in London knows just how the economies will work out. But this is, broadly, how the program shapes up:

Within 3 years, Britain to have less than 500,000 men under arms (against a current 775,000).

Conscription to be abolished by 1959. It would be replaced by a United States style selective service built around small numbers of specially trained men.

Britain's 4½-division force in Germany to be cut back to 2 divisions.

The Royal Air Force bomber command and missiles would become the main line of defense, but the fighter command would be scrapped. Jet fighters are regarded as overpriced and obsolescent.

London thinks that Britain could defend itself and fulfill its obligations to its allies with 100 supersonic bombers carrying British-built hydrogen weapons, a small nuclear navy, and an army of airborne atomic specialists.

The arguments behind the second new look: The Kremlin won't risk world war; nuclear weapons make it possible to rely on deterrent power alone.

#### GLOBAL SUICIDE

Eden came out of his April talks with Russia's new masters convinced that "conflict between great powers is unthinkable because it would be suicide on a world scale."

Eden's thinking on hydrogen weapons runs this way: "Where the ultimate deterrent is present, large forces confronting each other with all the panoply of guns and tanks have not the same significance. The time has surely come when all military planning should take account of changed circumstances." Bulking large in Downing Street calculations is the economic factor. Arms cuts are imperative, the government feels, if Britain is to remain solvent.

The contemplated remodeling of Britain's defense establishment would undoubtedly ease the economic strain, enable the treasury to contribute more to Commonwealth development, and help British industry compete more effectively against Russia's economic offensive in the world's underdeveloped areas. The greatest peril—conceded in London, too—is that the West may forget

that it was strength that persuaded the Russians to recognize that war wouldn't pay. If the West, for whatever reason, appears to weaken again, history has shown that the Communists might chance it after all.

Mr. ELLENDER. Mr. President, there is another item in the program I think our people should know more about. It is a new item. Why it should be included in the program, I cannot understand. Some time ago, while I was examining one of the witnesses before the Committee on Appropriations, I was informed—and here it is in writing now, for it appears in the Mutual Security Act of 1956 hearings of the House of Representatives—that there was a program being hatched for the United States to undertake the protection of the big cities in Western Europe, much the same as we are now endeavoring to protect our own cities. That is a program that our country should have no part in. It should be done by the countries that want that protection. We have Nike batteries around our most important cities—we are trying to protect ourselves. But now, we are going to protect Europe, too. We are being asked to spend a half billion dollars to build a radar screen for Europe and to guard European cities with Nike missiles. That is in this bill. Of course, there are no details. We are not permitted to make public just what cities are to be so protected or what the local governments are doing in the way of helping us on this program.

Why we are not being given all the details about that plan, I do not understand. I believe the taxpayers of the United States would like to know something about it; they certainly deserve to know, particularly since it is reported in the *Newsweek* article I read from earlier that the entire British anti-aircraft command has been deactivated. Are we proposing to do for Britain what she has decided she will not do for herself?

It is my hope that during the hearings before the Committee on Appropriations I shall have the opportunity to get all this evidence. I will do my best to get permission to present it on the floor of the Senate, so that the people of this country can be told how their money is being spent.

A short time ago I referred to the vast sums that we have already spent and the huge amounts of money that are still in the aid pipeline appropriated in prior years but still unspent. The figures I have cannot be given in detail; all such detailed information is classified. All the documents relating to this detailed information are marked "Confidential." However, this morning I obtained permission to give to the Senate the lump-sum figures, without breaking them down country by country.

As of February 29, 1956, for military assistance and nonmilitary assistance for all countries, we had delivered \$33,608,694,000.

In unexpended funds, we had on hand \$8,332,845,000.

Now, let us take this program on a regional basis. First is Europe. As of March 1, 1956, unexpended balances for military assistance for the countries of Western Europe totaled \$3,346,848,000.

Those countries are as prosperous as our country, yet our planners still have over \$3½ billion in unexpended funds which they plan to use in Europe. It is proposed in the pending bill to add to that figure \$760,471,000. A good deal of that money goes to Belgium, which is very prosperous. Some of it goes to France and to other prosperous countries of Western Europe.

Let us look now at nonmilitary assistance for Europe. Our planners tell us there is no need for economic aid to Western Europe and that none is being requested. I want the American people to know that we now have in the pipeline in unexpended economic aid funds, for projects which perhaps have been evaluated and have been given the go-ahead sign, but not yet started, or perhaps for projects now in the process of completion, \$271,216,000. That is all economic aid yet to be delivered to the countries of Europe. The bill provides for an additional sum of \$90,900,000.

Now I turn to the Near East and Africa. Up to February 29, 1956, we have delivered military assistance to those countries totaling \$1,411,577,000. We still have in the pipeline \$533,770,000. We propose to give those countries an additional \$471,918,000 under this bill.

For nonmilitary assistance for the Near East and Africa we have paid out \$1,792,173,000, and there is still \$388,731,000 unexpended. Yet the administration proposes to add to that unexpended fund, \$412,400,000 in the pending bill.

Mr. President, I wish I could give all this in detail, but I cannot.

For military assistance to Asia we have already delivered \$2,420,045,000. There was unexpended as of February 29, \$1,359,526,000. In addition to this huge unexpended carryover, this bill proposes for military assistance to Asia \$1,166,813,000.

Now, listen to this, Mr. President. For nonmilitary assistance for Asia we have already delivered to the countries of Asia—and there are not many—\$2,867,709,000; there was still unexpended as of February 29, \$1,545,065,000.

This bill proposes to authorize an additional appropriation of \$1,215,250,000.

The amounts for Latin-America are very small in contrast to the other areas I have just mentioned. For military assistance to Latin-America we have already made available \$38,327,000, with an unexpended balance of \$43,414,000. The bill would authorize an additional \$35,546,000 in military aid for Latin-America.

Nonmilitary assistance we have already delivered to Latin America totals \$104,761,000; \$78,646,000 is unexpended; and the bill asks for an additional sum of \$60,850,000.

Mr. President, there is another little gadget in the aid program with which some of us are familiar. The President has, in addition to all the sums I have mentioned, a certain fund to expend more or less as he sees fit. It is labeled "nonregional." In military assistance in that category \$552,968,000 has been delivered. There is in the pipeline \$647,132,000. This bill provides an additional \$565,253,000.



For nonregional nonmilitary aid we have already spent \$663,622,000. There is unexpended a balance of \$118,498,000. We are being asked to appropriate \$215,-875,000 more for that purpose.

Mr. President, this makes a grand total of delivered assistance, as of March 1, 1956, for the areas I have mentioned, of \$33,608,694,000. There is \$8,332,845,000 in the pipeline, and the President has asked us to appropriate \$4,995,275,000 to supplement that huge sum—which would make a total available for expenditure in 1957 of roughly \$13.2 billion.

Mr. President, I would now like to devote a little time to discussing how some of our money is being spent in Asia. I have found that in Asia, as in other parts of the world—particularly in South America—our technical assistance and economic-aid programs in many instances look too far to the future. Some of the programs now underway cannot possibly be effective for perhaps another decade. I have in my notes, on a country-by-country basis, much evidence supplied by our own representatives that although quite a few million dollars have been spent, it will still require years before the work which is being done will show any appreciable results.

Mr. President, we are dealing with problems which require relief for the people who are now living, not for their children 10 or 12 years hence; this is basic, because it is the present populations of underdeveloped lands that we are trying to assist, and win over to freedom. Also, in many cases, our ambitious planners just want to move too fast for the capabilities of the people. Instead of starting at the bottom rung of the ladder, taking into consideration the education, and level of learning of the people, and other matters of that kind, our planners start about midway up the ladder; many of the projects proposed and implemented go far beyond the comprehension of the people whom we are trying to assist.

Our administrators are so anxious to get things started that they practically force down the throats of countries like Thailand, Vietnam, and Formosa ambitious and unrealistic plans to develop their economies—programs so huge that the countries themselves could not handle them if they were placed in operation.

What is the result? We must come in and operate many of these projects. South Korea is a good example. South Korea does not have the technicians necessary to operate many of the highly technical projects, we have undertaken there. Mr. President, we are frequently doing more harm than good when we build colleges, for instance, in countries where only a very few people can read or write. We should help build elementary schools—not universities.

The same thing applies in a variety of other nations which we are now assisting particularly in southeast Asia. We are trying to carry on a program far beyond the capabilities of the people in these countries to maintain or efficiently use. As a result, we make enemies, because unless we use our own money to carry on these projects and provide the

technicians to proceed with the work, the people get mad. They ask:

"Why do you build these works—these mills, dams, plants, and schools—if you won't operate them for us?"

That is the position they take. It strikes me that we could spend one-fourth of the money we are now spending in those areas and get more for it, if we only undertook reasonable, realistic projects instead of the grandiose schemes hatched by the fertile minds of our eager Washington planners.

Mr. President, in Korea we have moved in and taken charge. As I said earlier, the United Nations had set up a plan to rehabilitate that country, but our administrators found the plan was too slow for their ambitious ideas; so they took over. The United States is now spending huge sums of money in Korea. There is a large number of technicians in South Korea who are constantly seeking ways and means of spending American dollars in an effort to balance industry with agriculture in that country. That is something which cannot be done simply because there are no minerals in Korea with which to work.

Today, as my report shows, the agricultural economy of South Korea is better than it has ever been. Korea is raising more livestock today than ever before in its history. Korea is growing more rice per acre than ever before in its history. Yet we have technicians in Korea who are trying to better an agricultural economy that is far superior to anything which that country ever before experienced.

We raise much rice in Louisiana, but the per acre production of rice in Korea is many times the per acre production in Louisiana—and we use modern methods in Louisiana. All the rice in Korea is planted by hand, and every little bit of ground counts. Yet, although more rice is produced per acre in Korea than in Louisiana, some of our rice experts are trying to teach Korean farmers how to grow more rice. In my humble judgment, based upon my firsthand knowledge of agriculture, I do not see how any more rice can be produced in Korea than is now being produced there.

The production of poultry in Korea has been increased a thousandfold through our assistance. Cattle production has been increased tremendously, too.

In order to provide work, our administrators on the local level have actually poured millions of dollars of our cash into programs which, speaking bluntly, smell to high heaven of socialism. Industrial plants are being built almost entirely with our own money. I will not say "entirely," because the Koreans do contribute, although the contributions paid by Korea are in counterpart funds, which are generated from goods which we send to Korea under our aid program and are sold there.

There are in Korea two large fertilizer plants, one costing \$26,400,000, the second one costing \$19 million. All of that money is being put up by Uncle Sam.

There is an auto tire manufacturing plant in Korea, the cost of which was \$635,000. We put up \$540,000 of our

own money for that plant, and it is owned and operated by the state.

There is also a rubber reclaiming plant, the cost of which is \$420,000. There is a pesticides plant. There are five pharmaceutical plants, all being built in large part by the United States.

Of course, Korea does not have the necessary technicians to run and operate these plants, so good old Uncle Sam operates them for South Korea.

Although not an ounce of wheat is grown in Korea, and all the people of Korea eat in the way of starch is rice, we have constructed four flour mills. What is the idea? The idea is for them to operate flour mills to process wheat we send them, so they can sell their rice for export.

Four starch plants were built, almost entirely from funds Congress appropriated.

Incidentally, a few days ago I mentioned the matter to Mr. Hollister, who is now the Administrator of the ICA program, and he indicated that no more of these plants would be erected. I think the program should have been stopped a long time ago. In view of this picture, in this one country alone, I can well understand why there is an unwillingness to divulge to the American people how the huge sums we are providing for Korea in nonmilitary aid will be used.

We have also built in Korea a large plastic molding plant; an aluminum rolling plant; a clothing factory; a shoe manufacturing plant and a book publishing plant. We put up almost all the money for those plants. The cost of the book publishing plant was \$475,000. We put up \$375,000 of the cost, and the Korean Government put up the rest, by way of counterpart funds derived from goods purchased with aid money and sold to the Korean people.

We have also built in Korea a chemical processing plant, a motor vehicle manufacturing plant, a tire manufacturing plant, a glass bottle plant, a chemical processing plant, a ball-bearing plant, a silk textile plant. Most of those factories are being operated by American technicians, because the Koreans simply do not have the necessary know-how to operate them.

A marble-polishing establishment was also built, the cost of which was \$445,000. We put up \$350,000 of that.

A limestone-crushing plant was built, with Uncle Sam picking up 74 percent of the tab.

We put up 85 percent of the money for three food-processing plants, one of them costing \$490,000, and the other two \$235,000 each.

We put up substantially all of the cost of three paper-manufacturing plants. One of them cost \$760,000, another \$1,300,000, and still another \$771,000.

For small enterprises—that is, for one- or two-man shops and family enterprises, all very small manufacturing enterprises—we have provided every dime of \$3 million in the way of assistance.

Mr. President, I have a hunch that one of the reasons why we are not being permitted to tell the American people how



the money authorized in the pending bill is going to be spent is that more of the same, more of this huge spending for what is, in essence, the furtherance of a specialized Korean economy, is proposed. As I stated before, almost all of the factories I have mentioned are owned by and are being operated for the benefit of the Government of Korea. Our technicians are over there running the factories.

Aside from these manufacturing enterprises, Mr. President, we have built thermal plants to develop electricity, all of them put up at our expense, and all owned by the Korean Government. The Government of Korea sells the electricity generated by these plants and the proceeds then find their way into the hands of the Korean Government.

I realize that Korea was at one time in a bad way. Korea had almost no industry after liberation from the Japanese. It went through a cruel war which destroyed much of what it had. Efforts are now being made—and I think they will be successful since the President of Korea is demanding their approval—to have the United States recognize as our bounden duty to rebuild for the Korean any factory of any kind which had been built by the Japanese and which was destroyed during the war. We have rebuilt some of them; we are building new ones, and I assume that process is going to keep on ad infinitum.

On top of this economic effort in Korea, we are also maintaining a large ROK Army. I am not going to mention the number of divisions, but it is quite large. We are doing that all at our own expense. Not one single solitary dime comes from any of our allies; no nation assists us in this effort. We are also rehabilitating and maintaining all the ports in Korea, and all the roads in Korea. In short, good old Uncle Sam is supporting South Korea from A to Z, alone and without outside help. We even maintain 99.9 percent of the foreign troops now manning the truce line in Korea.

There are in Korea only a handful of Turks, a handful of Greeks, a handful of Ethiopians, and a few Englishmen on the truce line.

While we have quite a few divisions there, every military expense—for foreign as well as our own troops—is being paid by us—food, ammunition, everything. There is one minor exception. The English will not take ammunition that we manufacture, or the hardware for war that we have. They have their own. Other than that, we are carrying the whole load, without any assistance from any quarter.

It strikes me, Mr. President, that if this is to be a mutual security program in name it ought to be mutual in practice. We ought to get assistance from those who will be protected by this program just as we will be.

Mr. KNOWLAND. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. KNOWLAND. I think the Senator is not quite correct when he says there is no mutuality about the program.

Mr. ELLENDER. Does the Senator mean in that area?

Mr. KNOWLAND. I am speaking about the specific area of Korea, because the small Republic of Korea, which was a victim of Communist aggression, is itself, as the Senator has pointed out, carrying a very heavy burden in the maintenance of its armed forces. The Senator has, quite properly, not mentioned the exact number of divisions, but I can say in general that Korea is manning the line with more than 500,000 men. The cost of maintaining such defenses is taking about 60 percent of Korea's national budget.

So the little Republic of Korea certainly is carrying its share of the burden in the collective defenses of that area of the world. Unless the Senator from Louisiana is prepared to see the Republic of Korea "go down the drain"—which I am sure he is not—I do not think it is quite fair to say that that country, at least, which was devastated by the Communist aggression, is not carrying its share of the burden.

Mr. ELLENDER. Mr. President, there is no doubt that the South Koreans are carrying some of this burden. I had in mind, in particular, the other nations with an interest in the security of that area, such as the Australians, the British, and the French. They are as interested in this matter as we are. None of those people are helping us; none of our other allies is assisting us.

In the case of South Korea, the Senator from California knows that we are providing practically all the money for food, clothing, hardware, and so forth for the Korean armies, and in addition, we are furnishing a good deal of the money that is paid to the South Korean army since it comes from counterpart funds.

Mr. KNOWLAND. Mr. President, will the Senator from Louisiana yield further to me?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Louisiana yield to the Senator from California?

Mr. ELLENDER. I yield.

Mr. KNOWLAND. I am not complaining about the statement the Senator from Louisiana has made; in fact, he and I have agreed, both in the Appropriations Committee and elsewhere, and both during the Korean war and since then, that some of our allies elsewhere in the world were not carrying their fair share of that war and the general effort to combat communism; and to the Senate I have pointed out that during the operations of the United Nations members in Korea, we were providing 90 percent of the manpower and 90 percent of the resources, although the little Republic of Korea was making a substantial contribution, herself. If my recollection is correct, at one time we had 450,000 men in Korea, and at one time the little Republic of Korea had more than 500,000 men, resisting the Communist aggression there. All the other United Nations countries had, together, approximately 45,000 men there. Furthermore, the Republic of Korea suffered a million casualties, both civilian and military, in addition to a terrific amount of property damage and other devastation.

So I am not criticizing the remarks the Senator from Louisiana has made about this matter, because I know he has given profound study to it and feels very deeply about it. We may happen to differ on some aspects of the matter, of course.

However, I am saying that there is a mutual arrangement, so far as the Republic of Korea is concerned. I think Korea has made a great contribution to the preservation of freedom in that area of the world.

Mr. ELLENDER. Mr. President, I do not deny that. What I emphasize principally is that none of the countries of Western Europe—which we have been aiding "until it hurts"—and also countries such as Australia, which are vitally interested in keeping peace in that area, are not contributing a dime to this effort. Furthermore, I have been informed that Australia did not ask anyone else about withdrawing her soldiers from South Korea but simply withdrew them, leaving only a handful of her troops there. On the other hand, we have kept our divisions there. As the Senator from California knows, they are located where the enemy will make its first attempt to break through, if an attack is made.

Certainly we cannot continue to provide this money at such a rate. I believe it was stated, the other day, that over the next 10 years we could expect to spend approximately \$40 billion a year on defense. Anyone with commonsense knows that we cannot keep that up plus maintaining this program and still hope to retain our way of life.

Mr. KNOWLAND. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. KNOWLAND. Again, I say that at a later time I expect to discuss this matter, and I shall make some of the same criticisms of some of our allies to whom we have furnished funds that the Senator from Louisiana has made. Like the distinguished Senator from Louisiana, I have been in that area of the world, and elsewhere, also.

In the case of Australia, it is true that she has a large land area and a fine population; and the Australians were very stout allies of ours during World War II. Australia was one of the few nations to send troops to stand at the side of our troops and at the side of the forces of the Republic of Korea, during the Korean aggression by the Communists. But we must constantly keep in mind that the total population of Australia is about 9 million, or 4 million less than the population of my own State of California, and less than the population of the island of Formosa, and considerable less than the population of the Republic of Korea, which has a population of approximately 23 million, I believe, south of the 38th parallel.

Furthermore, Australia has additional commitments under the ANZUS pact and under the Southeast Asian Pact. I make that statement because I believe that when the chips are down, there are a few countries that will stand up and be counted, along with us; I think Australia will be one, the Republic of Korea will be one, Turkey will be one, and the island



of Formosa will be another. I think those countries would stand up and be counted along with us, when the chips were down.

Mr. ELLENDER. I do not think there is any doubt about that. My point is that we need assistance too; now is the time when we must lessen our huge economic burdens.

Next let me refer to Cambodia, Laos, and Vietnam, in southeast Asia. We are carrying the whole load there. We even paid for the upkeep of French troops, for as long as they were there. All of that was our own burden; and even today, no other outside country is helping us carry the burden in Vietnam, Cambodia, or Laos.

I may say that I found that in Vietnam the cooperation between that infant Republic and our Nation is very good. The great trouble, as I see it, is that our administrators on the local level are trying to go too fast with the program; they are spending too much money for the results they are obtaining. They could move more slowly, operate in keeping with the ability of the people themselves to absorb the effort, in keeping with the ability of that country to maintain it after our contributions have been completed, and accomplish more with less money. That is what I am pleading for.

Mr. KNOWLAND. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. KNOWLAND. I think the Senator's criticism in that regard is quite justified. I made similar complaints when I visited those countries. In many cases I think we have pushed our aid beyond the capacity of the people to handle it. But I wish to point out the significant fact that from 1945 until the outbreak of the Korean war, in 1950, the number of people behind the Iron Curtain, in the Soviet bloc, increased from 200 million to 900 million, representing a terrific expansion of international communism. I am sure the Senator from Louisiana will agree that that was not in our national interest or in the interest of the preservation of a free world of freemen.

Since that time, with the exception of northern Vietnam, there has been no expansion of international communism.

Of course, I believe that Premier Diem, of Vietnam, has a very difficult problem. His country is disorganized; the French have left, and they did not properly train administrators there. In that respect, the French did not give training similar to that which we gave in the Philippines. So Premier Diem has a terrific problem. Yet I think it is very important to the free world that Vietnam, Thailand, Laos, and Cambodia shall not pass behind the Communist Iron Curtain, if it is possible to prevent that from happening, because if the same type of expansion should take place in the next 10 years that took place in the period between 1945 and 1950, we might very well find ourselves as an isolated island of freedom on the North American Continent—a continental Dien Bien Phu. I do not think we could preserve our economic or political system, or our secu-

rity as a Republic, if the remainder of the world were operating behind the Communist Iron Curtain.

Mr. ELLENDER. I am in basic agreement with that statement. The thing is that people who should be as interested as ourselves in preserving peace and freedom, are not assisting us in that effort. I do know that the citizens of Vietnam, under President Diem, who is a very fine leader, are doing a good job, but our administrators are going beyond the capability of those people to absorb all we are trying to teach them. In other words, we are the ones who are constantly urging haste. We could take the money now sought to be authorized, spend it over a period of 2 or 3 years instead of this year, and get much more out of it than at the rate we are proceeding.

Mr. President, it is now 3:20 p. m. I must yield the floor at 3:30. I want to discuss the situation in Formosa, which I shall be able to do only briefly.

Formosa is a small island, yet we are spending many millions of dollars there. I had occasion to talk with Chiang Kai-shek. He paid glowing tribute to America and I think justly so—because we have certainly spent huge sums of money there. As is the case with South Korea, we now have on Formosa some one hundred and fifty technicians who are constantly seeking ways and means of spending money in order to balance agriculture with industry, when Formosa does not have the basic resources to work with.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. KNOWLAND. The Senator has mentioned Taiwan, which is an important country. The Senator may have noted from press reports today that Chou En-lai, the Communist Premier of China, has called upon the free Chinese on Formosa to put their heads in the noose, to come forward and negotiate, and be taken over by him. That shows that he has not given up. He says that if they will not do so peacefully, he intends to take the island by force, if necessary.

Mr. ELLENDER. The point I intended to emphasize was this: In my conversation with Chiang Kai-shek, he was very grateful for all we had done. In answer to a question from me, he stated that food production on Formosa had been greatly increased, that presently it was enough to sustain the civilian population of that island, plus a third of the number of soldiers who must be maintained there. I asked him, "Why then are our planners here spending all this money for various programs?" He replied, in essence, "Of course, that is your business."

Our administrators there are always on the lookout for new ways to spend our scarce tax dollars. We have built 410 new plants in that area, as I recall the figure. About 50 percent of the cash for these installations was furnished by us. I visited some of them. One or two of them had been built without a thorough examination into the question of whether or not there would be material on the island to operate them. I remember one which used silica. Many

thousands of dollars were spent to erect the plant. It was operated for about 30 days, and had to close, because it ran out of silica.

I made a visit to the Honshu Window Glass Works, a brand new plant which we erected. We provided about half the money necessary to build the plant, which is a comparatively small one. There is not very much window glass used in Formosa, but our administrators conceived and implemented the idea of building the plant. It was supposed to have been built on a 50-50 basis. It required 15,795,000 in Chinese currency, which, in United States dollars, amounts to about \$526,000 to build.

What did the Chinese furnish? Those who promoted it are pretty smart Chinese from the mainland. They put up some equipment and technical services. Of course, we had our own technicians. They placed the value of those services at 2,737,000 Nationalist Chinese dollars, which are worth about 3 United States cents. They furnished certain supplementary equipment. I could not find out what it was, but it was valued at 2,349,000 units of their currency. For building construction, they put up 2,945,000 units of their currency. For pre-operation expenses—I could not find out what that meant—they put up 4,405,000 units of their currency. For customs duty, that is, to pay the import duty on machinery to help the government of Taiwan, they put up 2,000,000 units of their currency.

I asked for an analysis of the figures in connection with this plant. Up to the present time I have not obtained it. My guess is that less than 10 percent of the actual cost of this glass factory was contributed by those who now own it, Chinese from the mainland. Uncle Sam put up nearly all the money—there is no question about that.

I have before me a list of all capital development projects built on Formosa since 1950. I do not have time to discuss them all, but many projects have been constructed almost entirely with contributions by us, and they are now being operated by Chinese from the mainland. They were, in essence, gifts from our taxpayers to a fortunate few, a selected elite of Chinese businessmen.

When I was there I found, to my surprise and disappointment, that efforts were being made to have Uncle Sam foot the bill for a Nationalist Chinese GI bill of rights. The entire cost of this program was to be furnished by the United States Government. The amount necessary to undertake the initial program was estimated to be \$38 million. The money would be used to rehabilitate, hospitalize, and otherwise take care of Nationalist soldiers who are too old to be useful for military service.

I was told, without question, that our local mission would never consent to such a project, but I have learned lately that we are to undertake it after all. In this very bill there is a sum proposed to be appropriated for that purpose. I do not know how much it is, but I shall find out, and I hope to be able to tell the Senate and our people the facts when I get the information. I think it is beyond all reason for the United States Government to be called upon to put up money



to provide a GI bill of rights for Nationalist Chinese soldiers. I hope to lay bare the details of the plan for the benefit of our taxpayers.

We are also being asked to build a huge dam in Formosa. I cannot understand why this structure, which would cost more than \$45 million, and which would produce power to be sold for use on Formosa, could not be built by the Chinese people on a more or less bonding basis if our own planners would just exercise a little reason. China could certainly borrow the money and repay the loan out of proceeds derived from the sale of power generated from the dam. Of course, that would not be to the liking of our eager bureaucrats there, our American giveaway artists. They want Uncle Sam to build the project on a gift basis.

Mr. President, I see that I must conclude my remarks; however, I ask unanimous consent to have printed in the RECORD at this point, my recommendations resulting from my recent trip abroad. I regret that I cannot insert in the RECORD my entire series of country reports, but they are most voluminous and, too, they contain much classified information. I do invite Senators to use these reports; they will be on file with the Senate Committee on Appropriations and available to all Senators.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

#### RECOMMENDATIONS MILITARY ATTACHÉS

This year, I desire to reemphasize the recommendations which I have submitted over the past 2 years with respect to this aspect of our Government's foreign activities. In almost every post I visited, the three military services still maintain separate attaché systems, with separate staffs, separate transportation, separate administrative support and, in many instances, separate bookkeeping activities. The net result of this duplication is, of course, intolerable waste. I therefore will again recommend that:

1. Unification consistent with the intent of the Armed Forces Unification Act be in fact practiced in the military attaché system. In areas where the interest of one service is predominant, the representative of that military agency should be given responsibility for the operation of the entire section. Other services desiring representation there should be required to accredit their officers as deputies. In this connection:

(a) Technical staffs should be as small as possible. The situation existing in Hong Kong where our Government maintains a huge staff to report on activities of the British and to channel into Washington information identical to that forwarded to London by British observers is extremely wasteful. By coordinating our activities with those of our allies, I feel certain that technical attaché staffing can be greatly reduced.

(b) Administrative support for all arms should be provided by the dominant military agency at the post concerned. By so doing, administrative work could be centralized and duplicating staffs eliminated.

(c) Transportation should be the responsibility of the dominant arm. The present wasteful anomaly of duplicating transportation pools for each service must be terminated.

2. Attention should be given to eliminating separate attaché staffs in nations where the United States maintains a military advisory group. I discovered again this year

that in a number of nations receiving United States military aid, our Government is supporting separate attaché and advisory sections. There would appear to be no valid reason why the advisory group could not provide the various services with the intelligence and other data presently the responsibility of the military attaché.

3. Realistic staffing should be enforced. It is my belief that in many instances the position of military attaché is regarded as the fruit awarded an officer or enlisted man for loyal and lengthy service. Some posts I visited appeared to maintain swollen military attaché staffs simply because that particular area was a desirable one. I must emphasize that if the necessary reporting requirements can justify only a specific number of attachés, no others should be assigned.

#### EMBASSY OPERATIONS

It is a pleasure for me to report to the committee that I this year noted a considerable improvement in the efficiency with which our foreign missions are operated. In addition, I was once again impressed with the caliber of employees who man our diplomatic establishments. In many instances, their personal sacrifices are deserving of the Nation's highest gratitude.

1. I have frequently criticized both the type and number of economic, commercial, and similar reports which are required of our foreign missions. In my past two reports, I have urged the Department of State and other interested Government agencies to revise their reporting criteria, to utilize data which is already in their files before requesting special reports, and to otherwise lighten the burden on the specialized staffs of our foreign posts. I have determined during my inspection trip this year that implementation of any appreciable degree of reason in reporting requirements will require a coordinated effort of all affected agencies; unless this effort is undertaken voluntarily, then I must heartily recommend that the committee instruct them to do so as soon as possible.

The committee will note frequent references in my country reports to the apparently excessive staffs of the economic and political sections of our overseas missions, in particular. I have frequently recommended that these staffs be reduced. However, it must be recognized that the primary reason for the large numbers of persons engaged in these functions is traceable directly to unrealistic reporting demands imposed at the Washington level. Therefore, I recommend that:

(a) All affected Federal agencies meet as soon as possible, coordinate their reporting demands, eliminate requirements which are nonessential, and promulgate reporting requirement standards which take into consideration side, staffing patterns, and locations of various overseas missions.

In this connection, I have attached to the Thailand country report a sample of the reporting requirements imposed upon that mission. This 11-page summary of required reports appears to be typical of the unrealistic demands imposed upon all overseas posts. The committee will note that this mission is required to report on almost every phase of the Thai national life, and, in addition, is also required to file a number of special reports.

It is my fervent hope that the reporting requirements can be revised, that unnecessary reports can be eliminated, and that the practice of imposing identical reporting requirements upon our staffs of large and small nations alike can be ended.

I also recommend that the interested agencies take adequate steps to determine whether the data they need on a given occasion may not already be in their files before filing cabled requests for identical information.

(b) Wherever possible, the size of political reporting staffs be reduced, and heavier reliance be placed upon personal observations supplied by the chief accredited United States representative to the nation concerned. In many instances, political reports filed by the political sections duplicate reports submitted by the chief of mission. In others, it is obvious that a number of the special political reports are in the nature of "make-work" rather than necessary.

(c) The responsible departments use care in assigning specialized attachés abroad, since I discovered instances where such are definitely not needed. Special commercial attachés frequently duplicate work which is normally done by post economic sections, or which could be performed by that section in the normal course of its business. A case in point is Poland where, at the time of my visit, the new agricultural attaché had no idea as to what specific tasks he was to perform. Although he said he was a farmer, and was apparently an able individual, it would appear that the position of agricultural attaché there could be abolished with no appreciable injury to our Government. Similar situations exist in a number of areas.

I therefore recommend that the various Federal departments which presently maintain specialized attachés in foreign posts reexamine and reevaluate the necessity for these positions, with a view toward reducing operational costs and utilizing data compiled by existing diplomatic sections wherever possible.

2. The Department of State, in undertaking a review of the necessity for what are apparently "padded" staffs in some areas of the world, should also reduce the size of administrative sections as workloads are reduced. It is my belief that by eliminating unnecessary positions in overseas posts, those economies can be reflected in smaller administrative and other support operations.

3. I recommend that the Federal departments maintaining staffs in Tokyo, Hong Kong, and other Far Eastern cities immediately reduce the number of Americans assigned and utilize to the maximum extent possible local employees. Hong Kong and Tokyo, in particular, are swarming with Americans.

I further recommend that the Department of State and the Department of Defense conduct a joint review of their staff needs in these areas with a view toward coordinating their efforts and reducing the number of staff positions required.

4. I recommend that the Department of State undertake to supply American employees in the U. S. S. R. and other Iron Curtain nations with better housing and recreational facilities.

(a) In the U. S. S. R., our employees are in urgent need of recreational advantages. Children of Americans employed there need a decent playground, and United States employees and their dependents should be supplied with a greater volume and variety of recreational pursuits—movies, magazines, similar things.

(b) In Yugoslavia, living conditions for American dependents are abominable. I found that inflated prices consume the entire living allowance for our employees, most of whom reside at hotels. Where dependents and families are also present, they are frequently forced to share dwellings with Yugoslav locals; this involves sharing bathroom and laundry facilities, as well as the sharing of kitchen conveniences. I cannot emphasize too much my belief that the majority of Americans assigned to Yugoslavia are living under substandard conditions, and that their families are being subjected to unnecessary and unfair hardships.

I therefore recommend that at least a part of the present counter-art balances which have accrued to our credit in Yugoslavia be



used to construct a compound, with decent living accommodations for Americans and their dependents stationed here. As an American citizen, and as a Member of the Congress, I frankly was provoked at the luxury in which some staffs live, while others live in comparative poverty. The contrast between West German living facilities and those available in Yugoslavia is astounding; by all means, an effort should be made to provide all Americans assigned to State Department posts with decent living conditions. It is not fair for some Americans to live in luxury, as is the case in West Germany, while the families of others must share bathroom facilities with the local population, as in Yugoslavia.

5. I recommend that the Department of State reexamine its present assignment of functions with respect to the Foreign Buildings Operations Regional Office in Hong Kong. It is my understanding that Foreign Buildings Operations Regional Office, Hong Kong, is responsible for all construction, etc., in the band of nations stretching from that point to Burma. I further understand that a second Foreign Buildings Operations office is being opened in Bangkok. It is my recommendation that the Hong Kong office be closed, and that all Foreign Buildings Operations work in Southeastern Asia be centered in Bangkok, thus reducing operating expenses. I believe this is particularly necessary inasmuch as living costs are extremely high in Hong Kong.

#### UNITED STATES INFORMATION AGENCY

Some economies in the performance of information missions have been accomplished in the operation of this agency since my inspection of last year. The necessity for economy in operation seems to be more widely understood. In particular, the establishment of the Philippine Islands printing facilities has resulted in a considerable long-term saving to our Government; by concentrating printing facilities in the Philippines, USIA has been able to provide excellent service to a number of posts, at a much smaller cost than had the printing been contracted out on a country-by-country basis.

Nevertheless, there is still room for improvement in the agency's overall operation; much "missionary work" remains to be done before the operations of this agency can be generally termed satisfactory.

1. I recommend once again that USIA discontinue what appears to be a standard practice of maintaining at least one of each type of medium available in each and every nation where its operations are conducted. In many nations I visited, the motto seemed to be: "You name a medium, we have it."

In nations where literacy is the rule rather than the exception, libraries would appear to be unnecessary. This is especially true in those nations where the library facility contains books which are almost all printed in the English language. Efforts should be made to concentrate on those mediums which are best suited to the particular area; secondary mediums, unsuited for the local population, should be discontinued.

As an example of what I have in mind, I might cite our information activities in Japan. There we employ over 350 persons just to disseminate information. We have in that country a full-scale motion-picture operation, and press service; we publish periodicals, operate cultural centers, finance exchange of persons programs, and in general, engage in all the various types of information activities that are authorized by law. It is my belief that rather than try to carry on an activity in each of the fields of endeavor, we should limit our operations to those activities which can best reach the masses of the Japanese people, in order to acquaint them with our way of life and our democratic principles.

To cite another example: In India much work could be done through moving pictures.

Much effective work could be done in other underdeveloped areas also by concentrating our efforts on the use of moving pictures. But in India I found that we are using every form of informational activity, including those designed for use in countries like England, France, and others, where there are different kinds and temperaments of people, and different economic and cultural standards.

The information service could maintain itself and perform a commendable job, if only the agency would eliminate many of its services which, in my opinion, are being wasted because they do not reach the people of the host country.

2. I recommend that USIA employ locals to perform as much of its grassroots work as possible. I frequently heard local criticism of our information effort which was predominantly on the theme: "Yes, you have a program here, but your workers are all Americans."

3. The United States Government should obtain increased cooperation from allied nations where we maintain information facilities, both in the line of sharing administrative expenses (such as rental, costs, etc.) and in distribution facilities as well. In this connection, the program in Vietnam is utilizing local troops to distribute pamphlets; this practice is to be commended, since information flowing from native to native carries a greater impact than material which has its obvious genesis in American hands.

I have much information to the effect that the Government spends thousands of dollars in foreign countries in order to pay the rent for libraries. We have operated these libraries long enough to teach the people the value of libraries. Our information service people want the libraries to remain under their supervision rather than be placed under the supervision of the people of the host countries, in spite of the fact that we could thereby save substantial sums each year, and the library program would have a better chance to become an established, integral part of the country's culture.

In London, England, we spend \$10,575 each year on rentals for library quarters, when that city already boasts 31 public libraries and 502 special libraries. We are spending \$6,200 a year just for rental on library quarters in Brussels, Belgium. In Italy we spend \$34,500 a year to rent facilities for USIA-operated libraries in 11 cities. We also furnish at least a portion of the staff in these libraries, the cost of utilities, and other items of maintenance. I cite these expenses as an example of the money that, as I evaluate the program, is being spent needlessly and to no good advantage, by our United States Information Agency in its ambitious policy to conduct information activities in every country of the world, regardless of the need for such activities.

I further recommend that in those nations where USIA is performing essentially local-government information functions, local contributions should be obtained. In the new nations of Laos, Cambodia and Vietnam, our information officers are performing tasks which, in older governments, are done by local governing authorities. Reimbursement for these functions should be sought, and obtained.

By all means, our burgeoning information programs in Western European nations should be ended immediately. I can see no reason why our Government should be investing in information programs in order to sell America to Western Europe, to Australia, New Zealand and other nations closely allied with us.

As an American citizen, it disturbs and aggravates me to discover that our own State Department takes the position that vast sums of money must be spent to send orchestras, actors, bands, etc., to these nations, which are presumably our allies, in

order to convince them that the United States is not inhabited by barbarians. If the citizens of these nations do not know and understand the temper of our people, after we have given generously of our national wealth to them, then the dispatching of entertainment groups is not going to change their minds.

I wish, also, to caution the committee that the information service, which was initially presented to the Congress as an emergency program designed to take the truth behind the Iron Curtain, is becoming a permanent operation. Efforts are being made to make the information service a perpetual organization, operating on a grandiose scale, with built-in facilities in nearly all of our foreign posts.

#### INTERNATIONAL COOPERATION ADMINISTRATION

It is frankly difficult for me to find a place to begin my observations upon the myriad activities of this mushrooming operation. The local functioning of our aid program must be seen to be actually believed.

As the committee is well aware, I have frequently criticized the scope and nature of many of these aid efforts. I feel sure that if the full membership of the committee could but have inspected the same areas I visited, they would all share my feelings.

The following recommendations are necessarily broad; specific examples of the evils cited can be found in almost all of the country reports which I have attached.

1. I recommend that each year the International Cooperation Administration be instructed to provide the committee, at least 6 weeks prior to hearings on the mutual security appropriation, with a by-country breakdown of funds in "pipeline" status, counterpart balances and unobligated and obligated funds. I feel that this material is of utmost necessity if the committee is to be in a position to act intelligently on new money requests. For example, I determined that in Austria, there is in excess of \$1 million worth of commodities in pipeline status. Some \$30 million in counterpart equivalent still is unexpended, and the United States has on deposit to its credit there a counterpart balance equivalent of \$4 million. Similar breakdowns for all nations where aid operations are in effect or contemplated would provide the committee with a better picture of precisely what the actual fiscal needs are in any given instance, and indicate where unused funds might be recaptured for new uses and/or redistribution.

2. I wish to compliment the manner in which our allies are assisting the Yugoslavian aid program. This is the first example of a practice which should be extended to every nation presently receiving United States assistance. I have long advocated obtaining greater assistance from our allies in assisting the cause of freedom in the world. British and French assistance in the Yugoslavian program proves that the sharing of burdens is practical and feasible. By all means, the practice should be extended to more areas.

3. I recommend that if a program is to be continued, our officials in Yugoslavia insist upon full inspection of the use to which our military assistance is put. It is my belief that the Yugoslav Government will permit this inspection if it is but assured that our officials are not examining their operations with a view toward gathering military intelligence, but only seeking to determine whether the assistance we render is being put to the best possible use. Under no circumstances should military aid continue to be given Yugoslavia on a "carte blanche" basis.

4. I recommend that the program in India be reexamined. As the committee will note in the attached country report, a tremendous backlog of unexpended balances is



presently on our aid books in India. New appropriations should be curtailed for this area until such time as these balances are reduced. The appropriation of new moneys while balances of prior year funds remain unspent leads to unconscionable extravagances.

5. I further recommend that Indian and Egyptian threats to enlist Soviet aid unless the United States meets certain demands be ignored. Our aid effort in India should be governed by a rule of reason consonant with respectable requirements and present United States fiscal capabilities. The United States should not yield to pressure which amounts, in essence to international blackmail.

6. I recommend that attention be given to the implementation of a modest assistance effort in Burma, where technical aid in particular is urgently needed. Since the Burmese do not desire American handouts, I recommend that arrangements be made to permit reimbursement by the Burmese for any aid rendered them.

I also recommend that no commitments be given the Burmese as to either the scope or length of our aid effort there. There are efforts underway to obtain assurance from the United States Government that a 10-year program will be maintained. These assurances should not be given.

7. The assistance program in Thailand should be reevaluated in line with specific recommendations outlined in the attached country report. Tremendous sums of money have been spent in this nation, with apparently no appreciable results.

8. I recommend that in the infant Republics of Laos, Cambodia, and Vietnam a coordinated program with a specific number of objectives be promulgated and implemented at once. Assistance in this area has been on a piecemeal basis, with no assurance that any comprehensive improvement will result. I realize that to a large extent the program here was a crash effort, brought about as a result of the Indochina war. Nevertheless, with the present truce in effect, attention must be given to promulgating a specific program for the entire area. I further recommend:

(a) That our officials press for the removal of new and artificial trade barriers which presently choke trade among the three nations of Laos, Cambodia, and Vietnam. Economic difficulties of the first magnitude have been generated by these barriers, not the least of which involves the interchange of rice supplies between Cambodia and Vietnam.

(b) That the assistance effort be confined to programs which will quickly show results. The crying need in this area, as well as the entire arc of free Asia, is for assistance which will better conditions today, not tomorrow. Unless improvement is shown quickly, it is entirely possible that the entire Indochina area will fall to the Viet Minh by default.

(c) That under no circumstances should assistance funds be used to construct a new palace for the King of Laos. These moneys could be much better used to improve conditions among the people of Laos. I can conceive of no greater propaganda weapon we could supply to the Viet Minh than to construct a sumptuous palace for the King while his subjects dwell in appalling poverty.

(d) Here, as in Thailand, no commitments should be given as to the scope or length of the aid program. Efforts are presently underway to obtain commitments for a long-term capital investment program. These should not be given. As I indicated previously, the assistance should be confined to that which will show immediate results.

(e) That proposed plans for the construction and maintenance of a military academy in Cambodia be abandoned.

(f) That ICA administrators cease accepting counterpart funds generated by the sale of items purchased with appropriated dol-

lars as local government contributions in Vietnam and other areas. If required local contributions cannot be obtained from bona fide local government sources, the program should be curtailed. In any event, our officials should be discouraged from resorting to what is an obvious subterfuge in the matter of local contributions.

(g) That the United States Government immediately cease the flow of funds used to support the small contingent of French troops remaining in Vietnam. The committee should note that not only does the United States Government carry the entire assistance burden in this area, but it also pays for the upkeep of the remnant of French forces assigned here. This practice is unconscionable.

9. I recommend that our Government make immediate and strong representations to the Government of the Philippines with respect to the collection of taxes levied, to the end that either local government contributions to the aid effort there are increased, or our program is curtailed. In the Philippines, the rich grow richer and the poor seem to make no financial progress. A reasonable system of taxes is levied, but only a fraction of the revenue due is collected; tax evasion is rampant. I feel it unfair to our people, who are conscientious in paying their taxes, to be forced to contribute to the support of governments whose people refuse to pay their own taxes.

10. I wish to emphasize my prior-year recommendations that our foreign aid planners adopt a rule-of-reason in programing operations in all areas. In this connection, I specifically recommend:

(a) That a proposed program for the rehabilitation of retired soldiers from the Chinese Nationalist Armies be terminated. Under this scheme, American funds would be used to provide hospitalization benefits, teach trades, and otherwise rehabilitate for civilian life nationalist soldiers too old for active combat status. Under no circumstances should this Government pay for a Nationalist Chinese GI bill of rights.

(b) That the so-called Nixon plan, under which the United States would pay the full cost of educating Formosan and other Asian nationals in American schools be abandoned.

(c) That the committee staff conduct an immediate study of the influence of the Chinese Technical Mission in this country. I am informed that the C. T. M., supported by local currency counterpart equivalent to the extent of \$60,000 per year, has succeeded in obtaining Washington approval of programs which local-level administrators rejected as not feasible.

(d) That the practice of permitting the use of counterpart balances or other funds to balance local government budgets be discontinued immediately.

(e) That I. C. A. take steps to halt the practice of Washington officials reversing local administrative decisions as to the wisdom of undertaking any specific project. It is my information that a proposed hydroelectric project on Formosa was turned down by the local operations mission only to be reinstated at the Washington level.

11. I recommend that no aid program be undertaken in Japan, but that this Government assist the Japanese, through existing diplomatic channels, in finding outlets for their manufacturing output. It is my understanding that the United States Ambassador to Japan recommended against an aid program in Japan, but that his views were overridden by Washington.

12. In Korea, I recommend that:

(a) The practice of counting counterpart funds toward local government contributions be discontinued.

(b) The United States Government cease providing direct budgetary support to the South Korean Government.

(c) That the entire aid effort be restudied with a view toward increasing private capital

participation. As the program now stands, it would appear that the United States Treasury is supporting works which are resulting in the socialization of the South Korean economy.

13. I recommend that special General Accounting Office teams be dispatched as soon as possible to Formosa, South Korea, and the three nations of Indochina and that a complete audit of FOA (ICA) accounts be undertaken. The aid program in these nations is floundering in fiscal chaos; it is my belief that unless an adequate accounting as to the sources, uses to which put and present status of United States funds is obtained in this area, the Congress will have lost complete control of expenditures.

14. I recommend that tighter justifications be required of FOA officials, and that present transferability provisions be reexamined. Broad-purpose appropriations and wide transfer authority have resulted in what is apparently a complete breakdown of program control by the Congress in almost all areas of the world.

15. I recommend that no capital investment programs be undertaken anywhere unless the local economy can justify them. A case in point is the glass factory which American dollars helped build on Formosa, which, I understand, has but a negligible demand for window glass.

16. I recommend that in rehabilitating any war-ravaged land, or in extending technical assistance in the fields of community development, health, etc., our administrators take into consideration normal living habits of the area. In Korea, we are building brick and stone structures to replace those of traditional Korean materials. This, of course, leads to an expanded aid effort, and even much dissatisfaction, since if village A gets a brick hospital, village B is automatically dissatisfied with its timber hospital. The barrios program in the Philippines is an excellent example of how the program can be developed in an intelligent manner. There, community development has followed the natural habits and customs of the people.

Mr. COTTON. Mr. President, I am supporting now, as I always have supported, our program for mutual assistance: First, because it is an integral part of our own national defense; second, because it aids the cause of freedom everywhere; third, because it is an investment for peace, and averts the crushing cost of war. I am supporting it now because, in my opinion, at this critical hour it is especially important that we do not let down our guard in any respect in leading the world in the cause of freedom and protecting it from communistic dictatorship.

However, I wish to take this opportunity to say that I cannot support any part of the measure which extends aid to Yugoslavia.

At this time I should like to read into the RECORD excerpts from a statement I made as a Member of the House of Representatives in the 81st Congress, on December 13, 1950, when the first bill extending aid to Tito was before the Congress. At that time I said:

For 4 years I have gone along with all of our foreign policy, with all of the foreign aid, and with all our endeavors to strengthen the western democracies and extend our own influence. But here we have something entirely different. This is not aid to the friends of freedom, as was the Marshall plan for the western democracies. We know that this is tribute, hush money, appeasement to an enemy. This is not building up our own strength, but is advertising our weakness.



This is not creating good will, but is inviting the contempt of the world.

This is nothing but an effort to try to immobilize the power of the Yugoslavian Army, an attempt to buy it off. When the 5 American flyers were slain by the air-power of Yugoslavia, 1 of those boys came from a town neighboring my own. I remember the day when I talked with his father and his mother. I did not want to permit that experience to affect my judgment on this bill. I wanted to accede to the request of the President, if I could; but the more I have listened, the more I have become convinced that the time has come when we should let it be known that we are through with appeasement. \* \* \*

I shall vote against this bill.

Mr. President, I made that statement 6 years ago in the House of Representatives when President Truman first requested aid for Tito. With the same firmness with which I refused to support that request by a Democratic President I must today refuse to support any aid to Yugoslavia when it is now requested by the present administration.

Mr. SMATHERS. Mr. President, I have submitted for consideration an amendment designated "6-25-56-B."

Simply stated, the proposed amendment would create a special economic development fund for Latin America with an authorized appropriation to the President of \$50 million to remain available until expended. The amendment is emphasizing loans rather than grants provides that not less than 75 percent of the funds shall be available only for furnishing assistance on a loan basis. Since health, education, and sanitation are primary factors in preventing the economic development of Latin America, the amendment contains a proviso that the President in utilizing the fund shall give preference to projects or programs which will clearly contribute to promoting health, education, and sanitation in this region, and such joint programs undertaken by the members of the Organization of American States. The authorized appropriation under the amendment would be in addition to the recommended authorization under the bill, as reported by the Committee on Foreign Relations.

There is nothing novel about the creation of this fund. We have in the past set up similar funds for Asia in the amount of \$200 million, \$100 million of which was appropriated last year, and it is my understanding that the administration has requested that the balance be appropriated this year. Under the provisions of the bill as reported by the Foreign Relations Committee, a special fund providing for an authorization of \$100 million is set up for the Middle East. It is high time that we arouse ourselves from the slumber of the past and give to Latin America a little special treatment, too. In setting up the regional economic development fund for Latin America as proposed by the amendment, the area will be given the special treatment which it has so long deserved in our foreign-aid program, and at the same time we will demonstrate by deed that our good-neighbor policy is more than merely a play on words.

As I have indicated in the past, I am concerned about the trend of our rela-

tions with Latin America. On every proper occasion, the administration has indicated the importance of maintaining and strengthening our ties with the other American Republics. The President in his State of the Union Message restated our interest in the welfare of the region. At the various Pan American conferences, we invariably declare our devotion to inter-American solidarity. Mr. Henry Holland, Assistant Secretary of State for Inter-American Affairs, in his testimony before the Foreign Relations Committee, summed up the situation this way:

A basic objective of United States policy in the economic field is to make as effective a contribution as is possible to the efforts of individual Latin American States to maintain a stable, healthy, national economy. The security and well-being of the people of the United States demand that we be surrounded in this hemisphere by strong, prosperous neighbors. It is, therefore, in our interest to offer constructive assistance to the efforts of our sister Republics. Humanitarian and philanthropic motives are thus not the only justification for this program, although they do play an important part. (U. S. Senate. Mutual Security Act of 1956, hearings before the Committee on Foreign Relations, p. 261.)

What worries me is the wide gulf between declared intentions and action. Earlier this month I reviewed the situation with regard to United States assistance to Latin America. At that time I pointed out that in the postwar decade the American Republics received only 2.8 percent of the total nonmilitary grants and credits extended by the United States. They fared even worse when grant aid alone is counted, receiving \$317 million of a total of \$26.5 billion or 1.2 percent. In that same period, the three Scandinavian countries—Norway, Denmark, and Sweden—whose populations total only about 15 million, received \$528 million in grant aid, or 60 percent more than all 20 Latin American Republics which have a combined population of well over 160 million.

This year the same pattern is being repeated. The pending bill provides a total of approximately \$100 million for Latin America, of which \$37 million is for defense support to be used principally in two countries, Guatemala and Bolivia; \$33.9 million for technical assistance and approximately \$35.5 million for military assistance. These figures represent approximately 2.3 percent of the total foreign aid authorization recommended by the Committee on Foreign Relations. This percentage of the total recommended authorization can hardly be said to include a realistic and effective foreign-aid program for Latin America when we think of the \$368.1 million in nonmilitary aid recommended for the Near East and Africa and a little more than \$1 billion in nonmilitary assistance for Asia. Our friends to the South will most certainly conclude, and rightly so, that they have once again been relegated to the position of last in line at the cashier's window. If we continue this policy of neglect toward Latin America, we are bound to suffer disastrous consequences.

I have read with great interest a letter to the Foreign Relations Committee

which expresses the State Department's views as to why the meager United States assistance is considered adequate to promote our objectives in our hemisphere. I have also studied the testimony of representatives of the Department of State and of ICA at the hearings on the MSA proposals. In brief, the administration feels that Latin America's needs are adequately met by United States private investments, foreign trade earnings, dollar receipts from the tourist trade, and loans from the Export-Import and International Banks, plus the comparatively small programs of technical assistance underway. To judge in context the State Department viewpoint, let us examine briefly some of its contentions against a backdrop of the realities of Latin America.

Development in the 20 republics is uneven, of course, but in general all suffer from chronic weaknesses due to a lack of diversified economies. All are dependent upon one, or at best several, export commodities for the foreign exchange necessary for economic development: Cuba, for instance, depends on sugar; Venezuela on oil; Brazil and Colombia on coffee; Bolivia on tin; Honduras on bananas, and so forth. All of them have to import tractors, locomotives, machine tools, motors, dredges—in fact, almost all of the manufactured goods they need for consumption, or even use in production. As more industries get started in the drive to get away from overdependence on a single commodity, pressures upon the economy increase all down the line. The demand for electric power grows; so does the necessity for more imported capital goods; agricultural production must meet the demand of the growing labor force in the cities; transportation systems must cope with heavier movements of foodstuffs to urban areas and raw materials to factories.

It is generally agreed that most of the countries have the human and physical resources to diversify their economies, to get away from the precarious dependence upon single commodities for their prosperity or even their sustenance. But diversification takes capital, for new industries need equipment and additional electric power. At present the United States per capita electric power supply amounts to 3,350 kilowatt-hour per year. In Latin America the supply averages but 170 kilowatt-hour per capita yearly. The contrast is even more startling when we examine individual countries. In Ecuador, for instance, electric power per capita amounts to only 42 kilowatt-hours a year; in Haiti the figure is 14 kilowatt-hours; in Chile, with a degree of industrialization already underway, available electric power is but 643 kilowatt-hours per capita.

Another roadblock to development is the antiquated transportation systems of the region. The United States has more than 1,100 miles of road for each 1,000 square miles. Latin America, on the other hand, averages 86 road miles per 1,000 square miles. All of us know the great impetus to the economy of the United States that came from our railroads, highways, and feeder roads from rural areas. In short, a new network of



roads and railroads and improved harbors along both the ocean and the river routes are vital to the growth of the Latin American economies.

The greatest obstacle in the path of progressive economic development, and the one which hampers the up-hill climb, is the persisting poverty which plagues the entire region. In the first place, per capita incomes are still painfully low. Twelve of the twenty republics have per capita incomes of less than \$200 a year, while only in Venezuela does per capita income exceed \$400. For example, in Paraguay it is but \$68 annually, in Haiti \$65, in Peru \$117, in Costa Rica \$125. Naturally, under the circumstances, the rate of savings plowed back into development must perforce be low. In the meantime, the general poverty has been accompanied by its usual manifestations; lack of education, malnutrition, and sickness, which in turn lead to low productivity. Meanwhile, so long as productivity remains low, there will, of course, be general poverty, and the cycle will continue to repeat itself.

Health statistics for the region are an appalling revelation. For example, the average life span of men in Latin America is 45 years; compare this with the 68 years of age in the United States. To be a little more specific, the life expectancy of a man in Guatemala is 37 years of age; in Mexico 38 years of age; in Peru and Chile, 39 years of age; in Costa Rica, 41 years of age; and in Brazil 46 years of age. These facts are startling indeed, and serve amply to demonstrate that if we are ever to assist our Latin American friends effectively in their difficulties, our foreign aid program for the area should be pinpointed so as to help them where they need help the most, and in adequate amounts.

In 1952 the infant death rate due to diarrhea in the United States was 113.5 per 100,000 infants. In Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Mexico, Nicaragua, and Venezuela, the death rate exceeded 1,000 per 100,000 infants. In the age group of 1 to 4 years, the contrast is even sharper. In the United States the death rate for children in this age group was held at 6.1 per 100,000, while in El Salvador and Guatemala, and also right across the border in Mexico, the death rates were around 1,000 per 100,000.

Malaria, a disease which depopulates and makes uninhabitable rich agricultural lands, has been almost eradicated in the United States. But it still takes a mighty toll of lives in Guatemala, Honduras, the Dominican Republic, Nicaragua, Mexico, and Bolivia. Moreover, not all the damage can be measured by the death rate. Someone once said of malaria, "When it doesn't kill, it enslaves." Without a doubt malaria, to a large degree, saps the productivity of the people of Latin America. Yet medical authorities are convinced that its complete eradication from all of Latin America is possible and practical. But it will take a bold and progressive program adequately financed. Surely, there is ample room for help in this field.

Let's look at the education picture in Latin America. Obviously the lack of

education is retarding the economic development of the Latin American republics. Only a little more than half of the Latin Americans over 10 years old are able to read and write. And in nearly half of the countries, less than 50 percent of children of school age actually attend school. Furthermore, only a small proportion go beyond the third or fourth grade. Moreover, with the high birth rate in the region—the highest birth rate in the world—the proportion of children to the total population is quite high and is increasing. Therefore, the already deficient educational facilities are constantly being taxed even more. Lack of buildings, lack of supplies, lack of teachers, historical lack of training in technical subjects, are just some of the barriers in the field of education that Latin America must surmount if it is to achieve a degree of economic development that will provide acceptable standards of living for its ever growing population. Surely, there is some room for our advice, counsel and assistance in this field.

I have painted only a very cursory picture of a great region of the world at a crucial juncture of its history. The people of Latin America are determined to overcome the conditions which have held them in bondage to poverty for centuries. They have the will and the courage to overcome them but are badly in need of effective assistance which they can and will repay. Meantime, our Government officials, time and again, voice the interest of the people of the United States in helping our neighbors achieve their goals of a better life for themselves and their children. However, despite these good intentions, it does not appear that we are living up to our pledges.

The executive department contends that Latin America has access to the capital necessary for desirable economic development; that there is no reason for us to do more. I would like to examine some of the points brought out in the letter from the Office of the Director of ICA in support of its view. Among the sources of capital indicated are included the following:

(1) New loans authorized for Latin America from the Export-Import Bank alone have averaged over \$210 million a year during the past 3 years.

(2) Over the period 1947-54, Latin America received approximately \$400 million annually in new private investments from the United States.

(3) It received \$387 million from our great and growing tourist industry.

Taken at face value, these figures indicate substantial sums. Certainly any help afforded the region by the Export-Import Bank is to the good. Admittedly, private investments from the United States do much to stimulate the economies of their host countries, and frequently carry with them important technical know-how. As for the third point, speaking as a Floridian, I agree that several million from the tourist trade should never be deprecated.

However, let us examine these arguments below the surface. Since I just mentioned the dollar earnings from the tourist trade, I shall take up that point first. I am informed, in the first place,

that the \$387 million figure cited by ICA includes the amounts spent in the European possessions in the Caribbean. This includes such popular resorts as Bermuda, Trinidad, Nassau, and Jamaica, among others. Bermuda alone drew at least \$25 million, while the British West Indies earned over \$37 million. Moreover, Mexico's share of the total was \$260 million. The whole of South America, including the great countries of Brazil, Chile, Argentina, Peru, Colombia, and others, shared only \$20 million in tourist dollars. The statistic falls even more into focus when we consider that Europe and the Mediterranean area earned \$427 million from American tourists in the same period.

With regard to the ICA indication that the Export-Import Bank over the last 3 years has authorized \$210 million a year to Latin America, or \$630 million. However, a similar change occurs in the picture painted when we examine the figure a bit more closely. Out of the total, \$300 million, approximately one-half went to Brazil alone. In addition, the loan to Brazil was to liquidate past-due dollar accounts to United States firms. Besides the \$300 million which went to Brazil, another \$100 million went to the Southern Peru Copper Co., which is owned by United States citizens. Thus two-thirds of the loans in the past 3 years went to only 2 countries and for only 2 purposes, namely, for the development of copper in Peru and to pay off past debts in Brazil. Almost one-half of the total, which was the loan to Brazil, was for a purpose that cannot be deemed future economic development. Moreover, as Senators know, much of the remaining portion of the Export-Import Bank loans during the 3-year period was extended to American business firms in the form of export credit lines. I hasten to add that I consider invaluable this type of assistance, both from the point of view of American business which must meet growing competition from Europe and Asia, and from the point of view of Latin America which needs to purchase United States capital goods on long-term credits. Nevertheless, this type of loan does not provide the kind of general broad range assistance Latin America so vitally needs. The Export-Import Bank loans are primarily to help American business compete in foreign countries. It is a shame the State Department attempts to justify its lack of help to Latin America by the use of this argument, which they do not use with respect to other countries around the globe.

As for the \$400 million in annual direct private investments made during the period 1947-54, I again agree that this capital can do much to stimulate the economies of the recipient countries. I note that the figure cited by ICA includes a good proportion of reinvestments, as well as new dollar capital. It is even more important to observe the manner in which United States private investments have tended to concentrate in certain sectors of the economy and in certain countries. For example, of a total of \$245 million in direct United States investments made in industry in Latin America in 1953, \$237 million, or about



97 percent, were in the extractive industries, mining and petroleum. In that same year Venezuela held \$1.3 billion of a total of \$6 billion in private United States investments, or 22 percent of the total for the entire Latin American world. Moreover, private investments, for all the good they do, will not build costly sewage-disposal systems or provide pure water, which, of course, pay dividends only in improved health and increased productivity of their users.

There is another reason frequently stated by members of the executive departments for not further implementing our declared policy in Latin America. That is, that there is plenty of money available at the Export-Import Bank or the International Bank if only the Latin American governments will come up with good, sound projects. Until recently the Bank's rules were so rigid that few of the countries could meet the requirements. Even now, although there has been a degree of relaxation, it is still difficult to get a loan. The principle works much the same way as with individuals who try to borrow from a bank—the more security one has to put up the easier it is to get a loan. But the poorer one is the harder it is to get a loan. In the case of the Export-Import Bank, we have the anomalous situation that the countries which need the capital most to prime their economies are the very ones which meet with the most obstacles. This may be excellent banking procedure, but it will not accomplish the purposes of our foreign policy in this region.

I read with great interest in the MSA hearings a reference to Guatemala made by Mr. Holland, the Assistant Secretary of State for Inter-American Affairs. He said:

We are determined that the assistance of the United States—and I know that in this the entire Congress as well as the people of this country joins—we are determined that the assistance of this Government and of these people shall \* \* \* contribute to making of Guatemala a living example of the fact that people under a free government can live better, feed themselves better, house themselves better, raise more healthy children, than they can under a Communist government (United States Senate, Mutual Security Act of 1956, hearings before the Committee on Foreign Relations, p. 279).

I heartily agree with this statement. But what has happened and is happening in Guatemala? We say only too vividly how the Commies attempted to establish a beachhead there and are trying to do so today. Those Commies must not have read Mr. Holland's speeches, or if they did, they must have a substantial degree of confidence that he intends to do nothing else but make them. In the light of the State Department's past performance toward Latin America one cannot escape the realization that there is some justification for this conclusion.

Frankly I think Congress and the American people are way ahead of the Department of State. Each year the Congress found it necessary to increase its request for the Latin American region. In the pending bill, the House increased development assistance for the area by \$10 million. Though the Senate Foreign Relations Committee trans-

ferred the total development assistance to defense support, it sustained the increase.

Make no mistake about it, Latin America is under the gun so far as Russia is concerned. This being so, what effective program has the State Department come up with, for example, to eradicate the communicable diseases which plague the area and retard its economic growth.

Must we wait until after the Communists have taken over and then move in with a mopping-up operation as we did when they moved into Guatemala a couple of years ago. It is my strong conviction that we can and must demonstrate to the world that the people of underdeveloped regions, who are historically our friends and who live in the same hemisphere with us, can achieve stability and prosperity by means of co-operative efforts. To carry out this objective we must abandon the policy of the steely-eyed banker and pursue the policy of mutual help among good neighbors.

Our private investments and our substantial foreign trade, as the executive department indicates, will continue to play a major role in the economic development of the region. But we can and should undertake the humane and practical task of expediting Latin America's climb into the 20th century. The health and vitality of the people have a direct bearing on their productivity and on their ability to achieve higher standards of living. Health, education, and sanitation are the foundation stones upon which any investment, foreign or otherwise, can profitably be undertaken.

As an example, if we can help erase malaria from the hemisphere in 3 or 4 years—as I am assured by the experts we can—we will have conquered the most important single economic health problem in the Americas. It would, of course, be only one aspect of a many-sided problem. But it would afford real relief from the costly toll of lost manhours and lost lives. The Pan American Sanitary Conference in 1954 did, in fact, adopt a resolution emphasizing the utmost urgency in the eradication of malaria from the Western Hemisphere. If we would now implement the resolution, which we affirmed, we would prove that our relations with our sister Republics are based on something more solid than high-sounding resolutions at conferences, windy speeches by important Government officials, and frightening banquet invitations.

We have in the Americas an opportunity to demonstrate to our friends south of the Rio Grande that we are sincere in our intentions. I am convinced that the people of the United States do not want us to lose the opportunity.

On numerous occasions in the past, I have stressed the importance of further strengthening friendly ties with Latin America if we are to continue to enjoy its good will which is so vitally essential to our own economic welfare and security. There is no one who will deny the fact that from the standpoint of trade, strategy, and raw materials this region is of extreme importance to us. We, of course, are equally important to

Latin America. Should war strike—and God forbid such a calamity—we would be dependent to a major degree on Latin America as a source of raw materials such as copper, tin, asbestos, vanadium, and other items.

In the postwar period we have spent a total of \$42.3 billion in foreign aid, of which Latin America received only \$552 million, or approximately 1.3 percent. If we continue this niggardly treatment we must be prepared to suffer the consequences.

The latest disquieting report comes from the Department of Commerce. At the very time the American republics desperately need United States capital goods and material to convert their antiquated economies, they are being forced to curtail their imports from the United States. According to the Department of Commerce, the total value of United States exports to the whole world in 1955, excluding military-aid goods, jumped by \$1.4 billion; yet in this booming year, United States exports to the American Republics dropped by \$56.6 million. The American Republics fell to third place, behind Western Europe and Canada, among the regional markets for United States nonmilitary goods. With the population of Latin America ever increasing, it promises to be the greatest market in the world for our goods. If we assist the people of this region to increase their productivity we can acquire these markets. It is in our own enlightened self-interest that we should do so, and do so as rapidly as we can.

It appears hypocritical to abandon our traditional friends to their fate, while turning so much time and money and energy to the problems of distant countries which have sometimes failed us in time of crisis. It is essential that we take decisive steps toward working out with the other American republics a courageous, imaginative solution to their economic dilemma.

The unanimous adoption of my proposed amendment would immeasurably contribute toward the accomplishment of this objective and prove to our friends in Latin America that our intentions are backed by positive action.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The hour of 3:30 p. m. having arrived, the unanimous-consent agreement on limitation of debate and control of time now becomes effective.

The committee amendment is open to amendment.

Mr. YOUNG. Mr. President, I call up my amendment "6-27-56-J."

The PRESIDING OFFICER. The amendment offered by the Senator from North Dakota will be stated.

The CHIEF CLERK. It is proposed on page 51, at the end of line 12, strike out the double quotation marks.

On page 51, after line 12, to insert the following:

Section 22 of the Agricultural Adjustment Act of 1933, as amended, is amended by adding at the end thereof a new subsection as follows:

"(g) Whenever the Secretary of Agriculture determines that there is, or that there is likely to be, a surplus of any agricultural commodity in the United States, no such



commodity and no product thereof shall be permitted to be entered or withdrawn from warehouse for consumption during any calendar or marketing year in excess of the annual average quantity of such commodity or product, as the case may be, entered or withdrawn from warehouse for consumption during the three calendar years immediately preceding such calendar or marketing year: *Provided*, That whenever any agricultural commodity or whenever any product thereof is subject to quantitative import limitations under subsection (b) of this section, that commodity or that product, as the case may be, shall not be subject to the quantitative import limitations imposed by this subsection. To assure to the maximum extent practicable equitable treatment among exporting countries and to prevent excessive imports of any class or kind of agricultural commodity or of any particular product of such commodity, the Secretary of Agriculture, to the extent he deems such action necessary to effectuate either of these objectives, is authorized and directed to establish reasonable classifications of any agricultural commodity and of the products thereof on the basis of either their physical qualities, value, use, or upon such other basis as he shall determine, and to specify the quantities of each commodity and of each product thereof, or of any class, kind, type, grade, or other specification or classification thereof, which may be entered or withdrawn from warehouse for consumption during any calendar or marketing year or portion thereof. Nothing in this subsection shall be construed to affect any right, privilege, or remedy otherwise provided by this section or by section 7 of the act of June 16, 1951, as amended.

"For the purposes of this subsection, (1) the term 'product' or 'products' means any article or articles included within or classifiable under each paragraph of schedules 7 and 9 of the Tariff Act of 1930, as originally enacted or as amended, and the articles included within each paragraph of said schedules or within such further classification as may be made by the Secretary of Agriculture shall be deemed to be a separate product, and (2) any agricultural commodity in the United States shall be deemed to be in surplus whenever any class, kind, type, grade, or other specification thereof, is or may reasonably be expected to be in excess of domestic requirements, adequate carryover, and anticipated exports, as determined by the Secretary of Agriculture.

"The enforcement provisions of the Tariff Act of 1930, as amended, shall be applicable for the enforcement of the provisions of this subsection."

Mr. YOUNG. Mr. President, I rise in support of the amendment offered by myself, the Senator from Georgia [Mr. RUSSELL], the Senator from Kansas [Mr. CARLSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Rhode Island [Mr. GREEN], and the Senator from North Carolina [Mr. SCOTT].

The purpose of this amendment is to protect the producers of agricultural commodities that are in surplus from having their surplus problems further aggravated by additional imports, in those cases where the executive branch of the Government has not applied import limitations under section 22 of the Agricultural Adjustment Act of 1933, as amended.

The amendment would apply only if both of the following two conditions exist:

First. The agricultural commodity involved is in surplus, and

Second. No quantitative import limitation is in effect on that commodity and its products under section 22.

Whenever both of these two conditions exist, and so long as they continue to exist, the amendment would limit the annual imports of the commodity and its products to the annual average quantities imported during the preceding 3 years. Whenever the commodity ceases to be in surplus, or whenever the executive branch limits the imports of the commodity and its products under section 22, the amendment ceases to apply.

This amendment is urgently needed for the following reasons:

First. Our whole agricultural production plant is overexpanded. Most of the major commodities, including livestock, are in surplus and their prices are depressed.

Second. Under these conditions, additional imports of these surplus commodities or their products compound the difficulties not only of farmers, but also of the Government in the operation of its various agricultural programs. This will be especially true in the operation of the new soil bank, where the decreases in production achieved at great cost to the Government can be completely offset by increases in imports.

Third. Section 22 was designed to meet this very situation. It authorizes and directs the executive branch to apply import limitations whenever imports threaten to materially interfere with the operations of any agricultural program.

Fourth. The executive branch for years has refused to recognize that imports are materially interfering with agricultural programs and, for the most part, has avoided the directive of Congress to use section 22 to limit such imports.

Fifth. There is every indication that the executive branch will not make effective use of section 22 to meet this agricultural import problem without further action by the Congress.

Sixth. This amendment would meet this situation by providing a direct limitation on the imports of surplus agricultural commodities and their products by the Congress, if the executive branch does not do so under section 22.

Mr. President, the Federal Government is about to spend approximately \$1¼ billion a year on the new soil bank program. The major purpose of this worthy program is to curtail production of many agricultural commodities which we now have in great surplus. This is a worthy and most necessary program. It could, to a considerable extent, reduce the production of agricultural commodities and, at the same time, increase the soil fertility of this Nation.

If this program really curtails agricultural production, it will mean an increase in the price for agricultural commodities to a more fair level; that is, if we have sense enough to take the necessary steps to prevent other nations with surplus commodities from dumping their products upon us.

It makes no sense at all to curtail production here in the United States and permit other countries to dump their

surpluses upon us, and continue to ruin our prices. There will be no increases in the prices of agricultural commodities if we continue to permit our country to be a dumping ground for foreign agricultural products.

Mr. President, last year, 1955, we had an over-production of hogs which resulted in disastrously low prices. In an effort to bolster pork prices, the Department of Agriculture embarked upon a program of purchasing pork and pork by-products which resulted in a cost to the Federal Government of \$102.5 million. It was a tremendous undertaking, and a costly one, but I think it gave some relief to our hog producers.

During exactly this same period, however, in 1955, when our pork producers were in serious trouble, and when our Federal Government was spending \$102.5 million to relieve our markets of some of the surpluses, we imported \$107,600,000 worth of foreign pork products.

I say again it makes no sense to spend \$100 million in an effort to relieve our markets of the pork surplus, and at the same time import even more of such products from foreign nations. In other words, our imports of pork products exceeded the \$102.5 million worth of pork products which the Department of Agriculture purchased on the open market to stabilize pork prices.

For many years we have imported a great deal of grain. This has been very disastrous to the grain producers in my area.

If the soil bank really works as we hope it will, resulting in the curtailment in production and the improvement of prices, our imports of agricultural commodities will naturally increase beyond the high levels of recent years.

During the past year, Mr. President, 20 percent of all of the barley reaching the cash markets in the United States was of foreign origin. Seven percent of all the oats in the United States was of foreign origin. Obviously, imports of this magnitude have a disastrous effect on cash prices.

Mr. President, this amendment does not go nearly as far as I would like to see it go. It would only hold imports to the average of the previous 3-year period when any given farm product is in surplus and when no action has been taken under section 22 of our present law.

Oats imports, for example, in the 1952-53 fiscal year amounted to 86.6 million bushels. In the 1953-54 fiscal year oats imports were 79.7 million bushels, and in the 1954-55 fiscal year oats imports were 20 million bushels. Using the average of the previous 3-year period, oats imports could increase 39.5 million bushels before they would be affected under the amendment we are proposing today.

This amendment would help our barley surplus and price situation materially. I know of nothing that would do more to stabilize the prices of feed grains than to have some limitation, even though it be a liberal one, placed on future imports of feed grains and other farm products.



The producers of pork, beef, and dairy products can never expect good cash prices for their commodities so long as we have great surpluses of cheap feed grains. Sooner or later these cheap feed grains are going to be translated into more and more surpluses of beef, pork, and dairy products, and other similar commodities.

If it were not for the present dairy price-support program, the prices of dairy products would certainly be at an extremely low level. The cost of maintaining the dairy price-support program this last year was approximately \$450 million. I believe this program was fully justified.

However, I do not think we are justified in continuing a program of cheap feed grains which in turn will make necessary continued heavy expenditures for a dairy price-support program.

Mr. President, a similar amendment was offered on March 16, 1956, to the then pending agriculture bill. I ask unanimous consent to have printed in the RECORD as a part of my remarks all the tables prepared by the Department of Agriculture which I used in that speech.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*Fiscal year 1954-55*

Oats:	Bushels
Total production.....	1,497,000,000
Left the farm to commercial channels.....	300,000,000
Imports.....	20,000,000

About 7 percent of the oats on the United States market were of foreign origin.

Barley:	Bushels
Total production.....	371,000,000
Left the farm to commercial channels.....	125,000,000
Imports.....	24,000,000

About 20 percent of the barley on the United States market was of foreign origin.

*Grain imports in millions*

[Fiscal or marketing years]

	1952-53	1953-54	1954-55	1955-56 (estimate)
Oats.....	68.6	79.7	20.0	20.0
Barley.....	24.9	38.3	24.1	25.0
Rye.....	5.6	13.4	3.4	3.0
Feed wheat.....	20.4	4.3	2.9	3.0
All wheat.....	21.6	5.5	4.4	4.0

(Information obtained from Schaefer—USDA.)

*Pork and pork product imports (except lard)*  
[Calendar years]

	Pounds
1953.....	146,026,000
1954.....	170,327,000
1955: January-November.....	150,456,000

Mr. YOUNG. Mr. President, I also ask unanimous consent to have printed in the RECORD as a part of my remarks some figures I received during the past week from the Department of Agriculture concerning the imports of pork products, and figures concerning the Federal Government's pork-buying program of last year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*United States imports of hog products—  
by country of origin*

Country	Thousand pound product weight				
	1951	1952	1953	1954	1955
Canada.....	22,427	18,542	65,083	66,923	64,343
Dominican Republic.....	0	85	0	0	0
Belgium.....	0	125	950	819	736
Czechoslovakia.....	94	0	0	216	935
Denmark.....	4,170	8,819	15,566	23,079	23,998
France.....	0	65	199	0	0
Germany.....	0	3,045	13,061	15,585	13,189
Ireland.....	0	67	81	94	111
Italy.....	459	530	649	446	754
Netherlands.....	16,158	20,252	36,707	42,308	32,966
Poland.....	5,125	9,366	13,409	20,305	24,864
Sweden.....	186	235	66	151	0
Others.....	334	280	255	401	345
Total.....	48,953	62,011	146,026	170,327	162,241

A small number of hogs are imported each year. These hogs are for breeding, as well as feeding and slaughter. Table shows actual number of hogs: 1951, 1,000; 1952, 100; 1953, 24,000; 1954, 31,000; 1955, 6,500.

NOTE.—Figures obtained from Price Division, Commodity Credit Corporation.

*1955 imports of pork products compared with  
pork-buying program<sup>1</sup> (mid-November  
1955 through March 1956)*

Imports of pork products, 1955:	
Quantity (in thousand pounds).....	162,241
Value (million dollars).....	107.6

Product	Quantity	Equivalent in hogs	Cost
Cost of pork buying program:	Million pounds	Million	Millions
Canned pork.....	151	2	\$90.9
Frozen pork.....	7	1	3.0
Lard.....	39	1	5.6
Total.....	197	3	99.5
Transportation cost.....			3.0
Total cost of pork-buying program.....			102.5

<sup>1</sup> Figures obtained from the Price Division of the Commodity Credit Corporation.

Mr. ERVIN. Mr. President, will the Senator from North Dakota yield 10 minutes to me?

Mr. YOUNG. Mr. President, I yield 10 minutes to the Senator from North Carolina.

Mr. ERVIN. Mr. President, I rise to support the Young amendment. My remarks will be equally applicable to the Johnston amendment, because I wish to speak particularly with reference to the textile industry.

Mr. President, when the reciprocal trade concept originated, it was contemplated that the United States would export to other nations goods which the United States produced in surplus quantities, and that the United States would import from other countries goods which the United States either did not produce or goods which the United States produced only in negligible quantities.

When the Congress passed the Reciprocal Trade Agreements Act last year I think it contemplated that the act would be administered in accordance with the true purpose of reciprocal trade. It was not contemplated by the Congress that the United States should encourage the importation of goods which were already being produced in the United States in surplus quantities. We find, however, that under this act some of the most peculiar events ever known in the

history of the world have occurred. When Congress passed the act, it delegated to the President the power to determine how our foreign trade should be regulated. The President, in turn, delegated that power to the State Department, and the State Department, in turn, delegated that power, insofar as it relates to textile products, to some private businessmen in Japan. For the first time since the dawn of creation, Mr. President, a sovereign nation has voluntarily delegated to a private industry in a foreign country the power to control and determine the destiny of one of its own industries.

I have witnessed the effect of the maladministration of the Reciprocal Trade Agreements Act by the State Department upon the textile industry, and upon the million or more Americans who labor in that industry and upon the hundreds of thousands of those who labor in the garment industry.

Unbelievable as it may sound, a group of Japanese textile manufacturers, known as the Japanese Textile Export Council, has been empowered by the State Department to determine the destiny of the American textile industry. In other words, this country, acting through the State Department, is delegating to a group of foreign businessmen, who are competing with one of our basic industries, the power to determine how much of the domestic market the foreign businessmen are to take away from their American competitors.

I have appealed to the State Department on many occasions for some degree of protection for the textile industry and those who earn their daily bread in it. The State Department sends back word that the Japanese textile manufacturers constituting the Japanese Textile Export Council have agreed to set up voluntary quotas on the exports of Japanese textile products to the United States.

I wish to say, Mr. President, that experience shows that the notion of the State Department that such quotas set up by Japanese textile manufacturers afford any protection whatever to the American textile industry is nonsense. I shall give an illustration to show how it works.

Last year we imported from Japan 36 million blouses—one-third of the entire number of blouses sold in the United States during that year. The Japanese Textile Export Council which, with the approval of the State Department, is ruling the textile industry in America, came to the conclusion that if the Japanese textile manufacturers continued to take one-third of the American market for blouses Congress might have the good judgment to return to the old-fashioned notion that the American Government should stand for the protection of Americans.

So the Japanese Textile Export Council put a quota on the exportation of blouses from Japan to the United States. It set a quota of 30 million blouses. Then Japanese textile manufacturers evaded this quota by shipping other blouses to Canada and other countries, which re-shipped them to the United States.



Japanese textile manufacturers also sold material to Hong Kong, where the material was manufactured into blouses. The blouses thus manufactured at Hong Kong were then shipped into the United States as Hong Kong production.

Not content with that, Japanese textile manufacturers took the material which could have been devoted to the manufacture of blouses and made it into shirts, handkerchiefs, pillowcases, sheets, and other things, and shipped them into the United States in large quantities.

So the notion of the State Department that the quotas imposed by the Japanese Textile Export Council affords any protection to the American textile industry is just so much nonsense. Let us see what the effect has been and what it will be.

Last year the Japanese took from the United States 70 percent of the entire American domestic market for velveteen. In the competition which enabled them to take this 70 percent of the market for velveteen, the Japanese demoralized the price structure of the other 30 percent of the velveteen market to such an extent that it could not operate at a profit.

I could show how the Japanese imports have multiplied since the State Department in its maladministration of the Reciprocal Trade Agreements Act blasted a hole in the dike.

Since 1953 the importation of cotton cloths and apparel from Japan has increased 700 percent. The importation of velveteens from Japan has increased 2,000 percent over 1953. The importation of finished sheets and pillowcases from Japan has increased from 791,000 units in 1953 to 12 million units in 1955, an increase of 1,382 percent.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. ERVIN. May I have 2 more minutes?

Mr. YOUNG. I yield 2 additional minutes to the Senator from North Carolina.

Mr. ERVIN. This is what is happening. Japan is sending into the United States hundreds of thousands of dozens of shirts. The Japanese make them for \$9 a dozen. The American shirt industry makes the same kind of shirts, at \$22.50 a dozen.

Japanese gingham are selling in New York at 33¼ cents a yard. It costs American mills 37½ cents a yard merely to make the same gingham. The same is true of Japanese broadcloths.

I do not know how other Senators may feel; but as for me, I intend to do all I can to protect the American textile industry, the hundreds of thousands of persons who work in that industry, and the American cotton growers who lose the partial support of their best customer, namely, the American textile industry, every time foreign-manufactured textile goods are brought into this country.

It seems to me it is time for Congress to restore the control and the destiny of a great, fundamental American industry to the hands of private enterprise in this country.

As for me, I expect to vote for the Young amendment, because it will afford some measure of protection for the fathers, mothers, brothers, sisters, and children of those upon whom the bombs fell at Pearl Harbor. I expect to support the amendment because it is necessary to preserve and protect a great American industry.

The PRESIDING OFFICER. Does the opposition to the Young amendment desire to use any time?

Mr. KNOWLAND. Mr. President, I yield myself 5 minutes.

An amendment in almost identical form was considered and rejected by the Committee on Foreign Relations. The committee believed that the amendment should more properly be considered by the Committee on Finance. I understand the Committee on Finance has taken some action on the proposal.

The amendment has nothing to do with the mutual security program. It is not germane to the bill, as is recognized in the unanimous-consent agreement. In other words, it was necessary to except the amendment from the parliamentary rule of germaneness which might have been raised in the usual type of unanimous-consent agreement.

The amendment should have been referred to the Committee on Finance for study. I believe it is unnecessary in the bill.

Section 22 of the Agricultural Adjustment Act and the Trade Agreements Extension Act of 1955 contain provisions authorizing the imposition of import quotas. Applications for relief from the imports of cotton textiles, for example, are now being investigated on an urgent basis by the Tariff Commission, as provided by law.

I may say to the distinguished Senator from North Carolina [Mr. ERVIN] that there is no question that this is a serious problem in the textile industry. If the present legislation which deals with reciprocal trade is not sufficient to meet the problem, I am prepared to join with the Senator in strengthening that law. But I think that should be done in the Reciprocal Trade Agreements Act.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. I wish to align myself with the remarks being made by the minority leader, the distinguished Senator from California [Mr. KNOWLAND], and to corroborate what he has said about the action taken in the Committee on Foreign Relations. I should like to read from the report on the Mutual Security Act of 1956, page 57, with reference to the textile amendment.

Before doing so, I may say that the chairman of the committee, the distinguished Senator from Georgia [Mr. GEORGE], voted in favor of the Green amendment when it was considered by the committee; but despite his favorable attitude toward this particular amendment, the amendment was referred, by a substantial vote, to the Committee on Finance. It was urged by the Committee on Foreign Relations that serious consideration be given to implementing and expediting action on the amendment.

I now read from page 57 of the report on the Mutual Security Act of 1956:

The problem involved here is of great concern to the Foreign Relations Committee, but the committee was in some doubt as to its jurisdiction over the question in the precise form in which it was presented—namely, a proposal involving tariffs.

Tariffs, by the way, do not come under the jurisdiction of the Committee on Foreign Relations, but come under the control, as do customs and duties, of the Committee on Finance.

For these and other reasons which have been indicated, therefore, the committee voted to refer the matter to the Committee on Finance with an expression of the Foreign Relations Committee's hope that the Finance Committee would follow the Tariff Commission proceedings closely and would give the question its most careful consideration.

Mr. KNOWLAND. I thank the distinguished Senator from Montana.

The amendment is very broad in its application. It is impossible to tell how many products would be placed under import quotas. It is doubtful if the proponents of the amendment know how far it really goes.

It is almost certain that a number of import quotas would be required by the amendment. The imposition of these quotas would have very serious adverse effects on the political relations of the United States with countries which are important to the security of the United States. The amendment would tend to cut off trade with important allies of the United States and would make it more difficult for them to share the defense burden of the free world. The amendment is, therefore, inconsistent with the objectives of the Mutual Security bill.

The amendment is certain to require import quotas on cotton textiles, which would create serious difficulties in our relations with Japan. The impact on Japan would tend to push that country toward the Communist orbit. Japan is our biggest customer for surplus agricultural commodities.

The amendment would hurt our efforts to dispose of surplus agricultural commodities. We are trying to get other countries to eliminate import quotas on our agricultural commodities. This amendment would tend to cancel out that effort.

The amendment requires the establishment of import quotas on the products of agricultural commodities regardless of whether a shortage or surplus of these products exists on the domestic market.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The time of the Senator from California has expired.

Mr. KNOWLAND. I yield myself 5 additional minutes.

The test is whether or not there is a surplus of the agricultural commodity, not of the products manufactured therefrom, which may not be in surplus; yet the amendment would establish import quotas on products processed from agricultural commodities as well as on primary commodities in surplus.

If the amendment is designed to curb importation of cotton textiles, it should be pointed out that imports of textiles are very small in relation to domestic



production—less than 2 percent—and very small in relation to United States exports of cotton textiles. Exports in 1955 were 4.5 times the level of our imports.

To take the specific case of Japan, our total exports to Japan in 1952 amounted to \$622 million. The total imports of all commodities amounted to \$229 million.

In 1953, the total exports of all commodities to Japan amounted to \$670 million. The imports of all commodities from Japan amounted to \$262 million.

In 1954, the total American exports to Japan amounted to \$680 million. The total imports from Japan amounted to \$279 million.

In 1955, total American exports to Japan amounted to \$643 million. Imports of all commodities from that country amounted to \$432 million.

United States imports of cotton textiles from Japan in 1955 amounted to about \$60 million.

Our chief agricultural export to Japan has been wheat. Taking the year 1955, the latest figure available, although I have other figures for the other years, wheat exports amounted to \$70 million. Total agricultural exports amounted to \$386 million, made up as follows: Wheat, \$70 million; barley, \$17 million; rice, milled, \$42 million; soybeans, \$57 million; raw cotton, \$120 million. These were our agricultural exports to Japan for the year 1955.

I ask unanimous consent to have a table showing United States trade with Japan for the years 1952 through 1955 printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*United States trade with Japan*  
[In millions of dollars]

	1952	1953	1954	1955
Agricultural exports, total...	429	367	418	386
Wheat.....	99	72	71	70
Barley.....	24	11	11	17
Rice, milled.....	57	48	49	42
Soybeans.....	27	51	52	57
Cotton, raw.....	175	115	174	120
Total exports, all commodities.....	622	670	680	643
Total imports, all commodities.....	229	262	279	432

NOTE.—United States imports of cotton textiles from Japan in 1955, \$60 million.

Source: Department of Commerce, June 28, 1956.

Mr. MANSFIELD. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Montana.

Mr. MANSFIELD. I commend the distinguished minority leader for bringing out the fact that Japan is an important cotton customer of this country. If that market were taken away, it would mean, of course, greater difficulties for our cotton farmers.

I am happy to note also that the Senator from California has indicated the importance of wheat, because I believe, unless I am mistaken, that Japan is our greatest single customer for wheat exported from this country. Those matters should be taken into consideration.

There is a great deal to be said in favor of the amendment advanced by

the distinguished Senator from North Dakota, but I think this is a matter which should not be considered by the Foreign Relations Committee, but is one which should be considered, and seriously considered, by the Finance Committee. I am informed that either yesterday or today the Senate committee did make strong representations to the Tariff Commission to do everything possible under the existing law, and especially under the escape clause of the Reciprocal Trade Agreements Act, to bring about alleviation of some of the difficulties which confront American textile manufacturers.

Mr. KNOWLAND. I full agree that the textile industry as a whole, and particularly specific segments of it, need assistance. I hope that the Tariff Commission will very promptly act on the particular cases which are now pending before it, such as the one involving velveteen and a number of other cases which are extremely important. When the Tariff Commission, under the laws and procedures laid down by the Congress will have made its recommendations, I certainly hope the President of the United States will very promptly act upon them, in order to give the necessary protection to American industry. That, I submit, is the orderly procedure, and it is the procedure which has been established by the Congress of the United States for the handling of such matters. I believe that is the way this one should be handled, and I hope the Senate, in its judgment, will handle it in that way. Otherwise I think we shall in effect destroy the legislation previously enacted by the Congress.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield me time?

Mr. KNOWLAND. I ask the Chair how much time remains to both sides.

The PRESIDING OFFICER. The Senator from North Dakota has 10 minutes remaining. The Senator from California has 20 minutes remaining.

Mr. KNOWLAND. I yield the Senator from New Jersey 5 minutes.

Mr. SMITH of New Jersey. Mr. President, I am very much concerned with this question because, as my colleagues know, the State in which I live, New Jersey, has very important textile industries located in it. I have had a good many conversations with my friends in the industry. We have discussed the subject at great length.

I joined the Senator from Maine [Mr. PAYNE] when he introduced a resolution calling on the Tariff Commission to study the whole question. What disturbs me as a member of the Foreign Relations Committee is that, as the amendment is worded, no discretion is placed in anybody, whether an emergency situation exists or not. There is no discretion placed in the Secretary of Agriculture or in the President with respect to the imposition of quotas. The amendment simply provides that if certain surpluses exist, then the provision is mandatory and the quotas must be imposed, no matter where they strike.

As one who is familiar with the delicate negotiations going on with certain foreign countries, especially with Japan, and having talked with some of my

friends on the Japanese side, I feel it would be a serious mistake to adopt the amendment. I know that the negotiations are directed toward getting these problems worked out with the Japanese people, and I feel that negotiation is the way to do it.

The proposed amendment gives no discretion whatsoever to the Secretary of Agriculture or to the President. Under the proposed amendment, the Secretary of Agriculture and the President would be required by congressional mandate to impose import quotas whenever certain stated surplus conditions exist—such as presently obtain with respect to cotton. There would be no discretionary finding that a condition exists requiring emergency treatment either by the Secretary of Agriculture or by the President.

For these reasons, I hope no amendment will be adopted making it mandatory for the Secretary of Agriculture to impose import quotas.

Mr. KNOWLAND. Mr. President, I yield myself 2 additional minutes.

I wish to say that, on the very highest level of the Government there is full cognizance of the problem facing the textile industry. The steps taken thus far by the administration to aid the cotton textile industry are as follows:

First. Escape clause investigations are now being conducted by the Tariff Commission in connection with velveteens, gingham, and pillow cases. The public hearing on the velveteen case was conducted a week ago by the Commission. A few days earlier the Commission recommended a tariff increase on linen toweling, and the President has ordered that the increase be put into effect.

Second. Representatives of the administration have discussed the question of cotton textile imports with the Japanese Government. Following this, the Japanese industry on December 15, 1955, imposed voluntary restrictions on the export of their textiles to the United States for the calendar year 1956.

I wish to say the Senator from North Carolina put a little different emphasis on the situation. We have not surrendered to any private industry in Japan or any other country. It was taken up with the Japanese Government. The Japanese Government has volunteered to limit exports.

In addition to that, more recently, as a result of further discussions with the Japanese Government, an exchange of notes took place by which the Japanese Government itself formalized the above restrictions, declared their intention to continue a similar commitment through 1957, and assured our Government of a minimum of 90 days notice prior to any intended increase.

Third. The Japanese recently reduced their quotas on exports to the United States of cotton blouses from 2,500,000 dozen to 1,500,000 dozen per annum beginning April 1st last. As a result of this quota reduction, the National Association of Blouse Manufacturers, which had filed an escape clause action with the Tariff Commission, withdrew its application declaring satisfaction with the new Japanese quota.

Fourth. The administration has just announced a program to subsidize the cotton content in American textile exports to equal-



ize the domestic cotton cost with world cotton prices. This program will be effective August 1.

This whole problem is continually under study.

Mr. President, I ask unanimous consent that the entire statement be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

**THE EFFECTS OF THE PROPOSED AMENDMENT TO THE MUTUAL SECURITY ACT WHICH WOULD AMEND SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT BY PROVIDING FOR THE MANDATORY IMPOSITION OF QUOTAS ON IMPORTS OF AGRICULTURAL COMMODITIES AND PRODUCTS MADE THEREFROM**

The following comments have been prepared for the purpose of throwing as much light as possible upon the complicated cotton textile situation as an aid in considering the merits of the proposed amendment.

The textile industry admittedly is confronted with troublesome difficulties. Many of these difficulties are of long standing and, although the troubles have been aggravated by recent imports from Japan, they are not all related to imports. There is no question of the need for the Government to carry its proper role in helping the industry solve its problems. There has been some difference of opinion, however, as to the means which would best serve to safeguard American textile interests. That difference of opinion is reflected by the effort to gain support for this proposed amendment.

Recognizing that the recent upsurge of Japanese textile imports has affected textile manufacturers and particularly some segments of the industry, a number of measures already have been taken by the Government which should prove helpful. The questions raised by the proposed amendment are: (a) whether or not present laws adequately safeguard the industry, and (b) whether or not actions taken within those statutes will provide appropriate remedy. In order to put the issue in clear perspective, there are hereafter itemized the avenues of relief from cotton textile import pressures available to the industry, some of the actions thus far undertaken by the administration, and principal objections to the proposed amendment.

**I. AVENUES OF RELIEF AVAILABLE TO THE TEXTILE INDUSTRY**

1. The existing escape clause procedures of the Trade Agreements Act make it possible for import restrictions to be imposed whenever the facts indicate the need for such controls. The Tariff Commission has the authority to recommend either tariff increases or quotas should their findings justify such action, and the President has the authority to impose them.

2. Under section 22 of the Agricultural Adjustment Act, the Secretary of Agriculture presently has the authority, upon a finding that textile imports are interfering with agricultural programs, to recommend specific protective actions to the President who has the power on a concurring finding by the Tariff Commission to impose them.

3. It is also possible for industries or segments of industries injured by imports to gain relief by application to the Office of Defense Mobilization where it can be demonstrated that relief is warranted because of the relationship of the industry to national defense.

**II. ACTIONS THUS FAR TAKEN BY THE ADMINISTRATION TO AID THE COTTON TEXTILE INDUSTRY**

1. Escape clause investigations are now being conducted by the Tariff Commission in connection with velveteens, gingham, and

pillow cases. The public hearing on the velveteen case was conducted a week ago by the Commission. A few days earlier the Commission recommended a tariff increase on linen toweling, and the President has ordered that the increase be put into effect.

2. Representatives of the administration have discussed the question of cotton textile imports with the Japanese Government. Following this, the Japanese industry on December 15, 1955, imposed voluntary restrictions on the export of their textiles to the United States for the calendar year 1956. Shipments limited by these quotas included orders booked before January 1. This self-imposed quota will be limited to 150 million square yards of cotton cloth.

Within this quota print cloth limited to 20 million square yards; velveteens limited to 5 million square yards; no formal quota on gingham, but 70 million square yards noted as maximum by Japanese.

It should be noted that substantially more than half of the self-imposed quota has been imported thus far this year. Imports from Japan should decline sharply in the weeks ahead under the quota restrictions.

Cotton blouse imports reduced from more than 3 million dozen in 1955 to a quota of 2,500,000 dozen for 1956.

3. More recently, as a result of further discussions with the Japanese Government, an exchange of notes took place by which the Japanese Government itself formalized the above restrictions, declared their intention to continue a similar commitment through 1957, and assured our Government of a minimum of 90 days' notice prior to intended increase.

4. The Japanese recently further reduced their quotas on exports to the United States of cotton blouses from 2,500,000 dozen to 1,500,000 dozen per annum beginning April 1 last. As a result of this quota reduction, the National Association of Blouse Manufacturers, which had filed an escape clause action with the Tariff Commission, withdrew its application declaring satisfaction with the new Japanese quota.

5. The administration has just announced a program to subsidize the cotton content in American textile exports to equalize the domestic cotton cost with world cotton prices. This program will be effective August 1.

This whole problem is continually under study.

**III. PRINCIPAL OBJECTIONS TO THE PROPOSED AMENDMENT**

The issue before us is not one of granting or denying textile-industry support; the issue is whether or not this proposal is sound. The administration already has clearly demonstrated its purposes of cooperation. The following objections are listed because they show why the proposed amendment cannot provide a proper solution to the textile-import problem.

It is understood that the latest version of the proposed amendment requires the imposition of quotas whenever imports of an agricultural commodity or the products manufactured therefrom exceed such imports during 1955. Previously, the amendment was limited to raw cotton and cotton products and would have been applicable whenever such imports exceeded their annual average for the three preceding calendar years.

These modifications in no way and in no degree alter the fundamental objections to the proposed amendment.

The proposed amendment, with the changes, will still bypass the procedures established under section 7 of the Trade Agreements Extension Act and section 22 of the Agricultural Adjustment Act for dealing with cases of injury from imports; it will still make the imposition of import quotas under section 22 mandatory, whereas under section 22 as it now stands, even under the emergency authority contained in section 22,

the imposition of import quotas is discretionary with the Secretary of Agriculture in the first instance and in the last instance with the President; it will still engraft upon the Mutual Security Act a totally unrelated provision amending an entirely different law (the Agricultural Adjustment Act); it will still accomplish a legislative purpose which should be properly considered in a separate bill, on its own merits, and only after being thoroughly aired and discussed in public hearings before the responsible committee of the Senate; it will still be a major departure from the long-standing decision of the Congress against legislating with respect to tariffs or quotas on specific commodities or products; it will still be an open invitation to all other domestic industries to demand equal treatment and similar legislation, thus shattering one of the main underpinnings of our carefully and laboriously constructed foreign economic policy framework; it will still lead to retaliation in kind by other countries—retaliation which will increase in degree and spread as other American industries are successful in demanding equal treatment and similar legislation; it will still lead to the unraveling of the free world's strong economic ties established by cautious and gradual liberalization of trade barriers and resulting increased trade among the free nations, and, finally, it will still lead thus to the eventual deterioration of free world resistance to the blandishments of communism.

These, then, are the projected consequences of the proposed amendment. They are very real and they pose very grave threats to our economy and to our national security.

It is claimed that the proposed amendment does no more than require the use of the emergency authority already contained in section 22.

This is a misleading statement. The present emergency authority in section 22 may be invoked only where the Secretary of Agriculture determines that a condition exists requiring emergency treatment. When the Secretary of Agriculture makes such a determination and so reports to the President, the emergency authority in section 22 provides only that the President may take immediate action. The initial determination that a condition exists requiring emergency treatment is, under the law, discretionary with the Secretary of Agriculture. And what the President shall do upon receiving such report is, under the law, plainly left to the President's discretion.

The proposed amendment gives no discretion whatsoever to the Secretary of Agriculture or to the President. Under the proposed amendment the Secretary of Agriculture and the President would be required by congressional mandate to impose import quotas whenever certain stated surplus conditions exist—such as presently obtain with respect to cotton. There would be no discretionary finding that a condition exists requiring emergency treatment either by the Secretary of Agriculture or by the President.

Enactment of this amendment would adversely affect United States exports of agricultural products, including cotton.

Japan is the most important foreign customer for agricultural products. In 1955 one-eighth of all United States agricultural exports went to Japan. During that year United States cotton sales to Japan totaled \$120 million while cotton-textile imports from Japan totaled \$60 million.

Enactment of this amendment could seriously injure our cotton-textile export market.

The United States is a net exporter of textiles. Its exports of cotton manufactures alone in 1955 were approximately twice its cotton manufactured imports (\$124 million imports; \$242 million exports.) It is essential that any solution to the United States cotton-textile situation be compatible with



the preservation of its position as a net exporter of textiles. That position would not be preserved by enacting legislation which would invite foreign retaliatory import quotas not only against American agricultural and industrial exports, but also against the exports of the very industry—the cotton-textile industry—that the legislation was devised to assist.

This amendment could damage United States exports generally.

United States exports in 1955 exceeded \$14 billion. Import quotas imposed by the United States would invite similar restrictions on our sales to other countries. The United States has attained substantial success in obtaining the removal of many of the post-World War II foreign-import restrictions necessitated by the shortage of American dollars. This success would be jeopardized and further progress in securing the removal of foreign import controls rendered doubtful if the proposed amendment were to be enacted inasmuch as it would provide a precedent for comparable restrictions by foreign governments on imports of American products.

Mr. MANSFIELD. Mr. President, will the Senator from California yield for a correction?

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. The Senator from California said that a further reduction would go into effect on April 1. He meant April 1 of this year, did he not?

Mr. KNOWLAND. That is correct.

Mr. ERVIN. Mr. President, does the Senator from California question the validity of my assertion that as a result of the failure of the State Department to take action, the Japanese themselves are determining the amount of the American textile market which they will preempt?

Mr. KNOWLAND. No. I say most respectfully to the Senator from North Carolina—and let me observe that of course it is possible for somewhat different interpretations to be drawn by different persons from the same set of facts—that there was not a failure on the part of the State Department to act. I think the State Department had carried on negotiations with the Japanese Government, looking toward a limitation of the exports of cotton textiles into the United States; and as a result of those negotiations, I think the Japanese industry itself voluntarily agreed to some additional restrictions.

In the meantime, the administration also has before it, under the normal procedures in connection with the Reciprocal Trade Act, the proceedings before the Tariff Commission, and has taken the other steps to which I have referred.

Mr. ERVIN. Mr. President, will the Senator from California yield for another question?

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). The time of the Senator from California has expired.

Mr. KNOWLAND. Mr. President, I yield myself an additional minute.

The PRESIDING OFFICER. The Senator from California is recognized for an additional minute.

Mr. KNOWLAND. Now I yield to the Senator from North Carolina.

Mr. ERVIN. Does the Senator from California think that the Congress should permit the destiny of American investors and the destiny of American

labor to be determined by a group of competing persons in a foreign country?

Mr. KNOWLAND. Of course the answer is no. I do not believe in any such thing. But I think the State Department was well advised—pending the decision following the normal legal proceedings for which we have provided in the case of the Tariff Commission—in seeking to obtain a voluntary restriction on the part of the Japanese in the case of sending textiles into the United States. I think the State Department should be commended for that.

Under our laws and under our Tariff Commission procedure, when the matter is processed in the way we have provided in the statutes themselves, certainly I believe that further restrictions will be necessary; and of course the Congress and the other branches of the Government of the United States must retain the power to protect the American people—both industry, labor, and agriculture.

Let me say that I am glad to see that the distinguished Senator from North Carolina is adopting what I believe to be some sound Republican doctrine, judging from the remarks he has made today. [Laughter.]

Mr. ERVIN. Mr. President, the Senator from California has been very kind in yielding. Will he yield for a further question?

The PRESIDING OFFICER. The time of the Senator from California has expired. Does he desire to yield further time to himself?

Mr. KNOWLAND. Yes, Mr. President; I yield myself one more minute.

The PRESIDING OFFICER. The Senator from California is recognized for an additional minute.

Mr. KNOWLAND. Now I yield again to the Senator from North Carolina.

Mr. ERVIN. Does not the Senator from California agree with me that, because of the failure of the State Department to act and because of the failure of the Congress to act, the destiny of the American textile industry at this particular time is being controlled by the Japanese textile industry?

Mr. KNOWLAND. No, I do not agree to that at all. I think we are proceeding according to law. By the action in subsidizing cotton, so as to make it available for domestic manufacturers, to enable them to obtain at a competitive world price the cotton they need, I think the administration has taken a constructive step.

I believe the proceedings by means of the Tariff Commission constitute a constructive step. I also believe that it was a constructive step to obtain this limitation, on a voluntary basis, on the part of the Japanese Government and the Japanese manufacturers, until the law could operate in the way the Congress intended it to operate.

Mr. MANSFIELD. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER. The time of the Senator from California has again expired.

Mr. KNOWLAND. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from California is recognized for an additional minute.

Mr. KNOWLAND. Now I yield to the Senator from Montana.

Mr. MANSFIELD. I am glad the Senator from California has emphasized that the State Department has really gone out of its way in attempting to bring some order out of the chaos existing in this particular matter. Moreover, the Congress has directed the Tariff Commission to take steps in this case, so I do not think the fault lies with either the State Department or the Congress. We already have on the statute books certain laws by means of which this matter can be handled.

Mr. KNOWLAND. In the future we may have to amend those laws.

Mr. MANSFIELD. Yes; if the Tariff Commission does not act in accordance with the responsibility which is imposed upon it under the laws already passed by the Congress, the Congress will have to direct the Tariff Commission to proceed in the way that it should and, if necessary, can and should do so as the distinguished Senator suggests. In other words we should face up to this problem—and it is a problem—and do something about it directly rather than indirectly.

The Tariff Commission has authority to handle this matter, and the Tariff Commission is under the legislative jurisdiction of the Finance Committee. Both the Foreign Relations Committee and the Finance Committee have been trying to do something to get the Tariff Commission to take steps to help this ailing industry at this time and both committees under Chairmen GEORGE and BYRD have been exerting all the pressure they could to expedite action on this matter. There is no question that this is a serious matter; there is no question of the sympathy of the Foreign Relations Committee; the only question is as to what is the proper procedure and what committee should handle it. The amendment is not germane to this bill and the proper committee is the Finance Committee now holding hearings on this question.

Mr. AIKEN. Mr. President, will the Senator from California yield time to me?

Mr. KNOWLAND. I yield 5 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, I cannot imagine any more shortsighted step for us to take than for us to adopt an amendment which would take a direct slap at one of our best friends among the other nations of the world, or one of our best customers. In this case one of the two principal losers would be the Dominion of Canada, which is one of our best friends, and constitutes one of the best markets for our exports. The other principal loser, as a result of adoption of the amendment, would be the Government of Japan, which is the largest importer of agricultural commodities from the United States.

I realize that in 5 minutes I cannot say anywhere near as much as I would like to say about this matter, and it is difficult to know where to begin.



However, let me say that all the grain imported by us from the Dominion of Canada does not amount to as much as our exports of manufactured and semi-processed cotton goods to Canada in any one year. Therefore, why should we invite Canada to retaliate by putting an embargo on our manufactured cotton goods, simply in order to obtain a little imaginary protection in the case of the feed grains? Canada is an increasingly good customer of ours. She has been buying increasing amounts of meat from us, and she bought a total of \$282.3 million of agricultural commodities from us in 1955, as compared with \$161.9 million of agricultural commodities which are imported into the United States from Canada. We do obtain some seed wheat from Canada. We import some barley, as the Senator from North Dakota pointed out. That is not because of the price, but because of the quality, inasmuch as our brewers demand Canadian barley. We in the Northeast obtain some oats from Canada, and some feed wheat is sent into the Northwestern States from western Canada.

But why should we adopt this amendment, which I suppose is intended to benefit our wheat growers? Have not we done much for our wheat growers? Would they prefer to have this amendment adopted, rather than to have \$2 support for wheat, for instance? In the case of the soil bank, we have made provision not only for wheat, but also for certain other crops in addition to wheat, which will implement the income of the grain grower materially. Possibly \$200 million or \$300 million will be spent for that purpose this year.

In this case there seems to be an alliance between the cotton textile mills and the wheat-producing areas of the United States.

However, Mr. President, in 1952 the cotton textile mills made the greatest of profits in recent years.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. AIKEN. Mr. President, I decline to yield.

Mr. JOHNSTON of South Carolina. Will the Senator from Vermont state what it was—

Mr. AIKEN. Mr. President, I decline to yield; I demand the regular order.

The PRESIDING OFFICER. The Senator from Vermont has the floor, and he may proceed.

Mr. AIKEN. Mr. President, let us see what the cotton people have been doing. They made large profits during the Korean war. In 1954 they had a slump but last year their earnings rose. In 1954 the Burlington Mills for instance earned \$3,400,000, and in 1955 they earned \$16,400,000.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from Vermont have expired.

Mr. AIKEN. I am sorry they have expired.

Mr. KNOWLAND. I yield 2 additional minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 2 additional minutes.

Mr. AIKEN. I thank the Senator from California.

Mr. President, as I was saying, the cotton mills have made large increases in their earnings from 1954 to 1955. The first quarter of 1956 shows still further increases in their earnings.

I do not know what would satisfy them, in view of the rate at which their earnings are increasing. Instead of losing money, they are now making ever-increasing profits. In the first 10 months of this marketing year they have used nearly 800,000 more bales than they did in the corresponding period the year before, and they paid a higher price for the raw cotton they purchased.

Mr. President, this amendment is simply ridiculous. It would jeopardize our great agricultural export program, and would do so solely because the cotton mill owners desire more profits, and solely because a little more imaginary benefit might redound to the wheat growers and feed growers in certain States of the Union. It is absolutely ridiculous and selfish for them to take the position they take. This amendment does not belong in this bill anyway. It belongs with the Finance Committee, because it affects our revenue.

Mr. YOUNG. Mr. President, I yield myself 1 minute.

Let me say that the wheat growers are not involved in this amendment. It is not an unreasonable amendment. The amendment would apply only if both of the following two conditions existed: First, that the agricultural commodity involved is in surplus; second, that no quantitative importation limitation is in effect under section 22 of the Agricultural Adjustment Act of 1933.

All the Federal Government would have to do to comply with the provisions of this amendment would be to place a limitation on the imports of commodities which were in surplus in this country. That is not an unreasonable provision.

The statement has been made that we are importing barley from Canada because of quality. The United States produces some of the very best barley in the world. The only reason we are importing is that foreign countries can produce it cheaper than we can. They can produce most agricultural products cheaper than we can.

Mr. President, I yield 5 minutes to the Senator from Rhode Island [Mr. PASTORE].

Mr. PASTORE. Mr. President, I intend to vote for the amendment. I wish to read into the RECORD an article which appeared on the business and financial page of the Providence Journal of Thursday, June 14, 1956. I am reading this article merely to prove that there is a little more involved than imaginary profits. We are dealing with jobs of American workers.

The headline of the article is: "Japanese Imports Cited—Berkshire, Bates Extend Vacation Shutdowns."

The article reads as follows:

JAPANESE IMPORTS CITED—BERKSHIRE, BATES  
EXTEND VACATION SHUTDOWNS

Berkshire Hathaway, Inc., said yesterday its summer vacation will be extended a second week because of curtailment forced by Japanese imports. Approximately 13,000 employees are affected.

Seabury Stanton, chairman of the textile firm's executive committee, said all 16 manufacturing and finishing divisions will close for 2 weeks beginning Saturday, June 30.

"This shutdown period will include the usual 1 week's vacation \* \* \*. The second week of the shutdown represents curtailment made necessary by poor business conditions aggravated in large measure by the increasing importations of low-priced fabrics made in Japan at an average wage of less than 15 cents an hour, with which it is impossible for our United States cotton textile industry to compete."

Berkshire Hathaway operates mills at Adams, North Adams, Holyoke, Fall River, and New Bedford, in Massachusetts; at Albion, Anthony, and Warren, R. I.; Brattleboro, Vt.; its Bourne Mills subsidiary at Tiverton; the Swansea Print Works, Swansea; a bleachery and dye works at Lonsdale; curtain factories at Warren, and Fall River, and a laboratory and machine shop at Warren.

The company said that "in keeping with our labor agreement, employees will receive vacation pay based on their length of service."

Mr. Stanton said in a statement that "the State Department has so far refused to establish quotas on goods which may be imported into this country from Japan and apparently feels that our textile industry is expendable."

"The only chance of minimizing this threat to our United States industry lies with the Congress, and it is hoped that legislative action will be taken to limit these low-priced imports before our industry is completely wiped out of existence."

William F. Sullivan, secretary of the Northern Textile Association, in a statement released with Mr. Stanton's reported that imports of cotton cloths from Japan during the 1956 first quarter "have increased 183 percent over the corresponding quarter a year ago." The current annual rate of imports of Japanese ginghams, he said, "is equal to almost 50 percent of total United States production during the entire year of 1955."

#### BATES FOLLOWS SUIT

LEWISTON, Maine.—The Bates Manufacturing Co. said yesterday it would give a second week's vacation, without pay, to 2,800 of its 6,000-odd textile workers.

The announcement attributed the decision to the competition of Japanese textile imports.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. PASTORE. May I have 2 more minutes?

Mr. YOUNG. I yield 1 additional minute to the Senator from Rhode Island.

Mr. PASTORE. In conclusion, let me say that what I have read is not something I have said. It was said by Mr. Seabury Stanton, who is the head of these mills, and who says that because of the importations and because of the low cost of Japanese labor, our mills are being affected to the tune of 13,000 unemployed American workers.

Mr. AIKEN. Mr. President, will the Senator yield me 30 seconds?

Mr. KNOWLAND. I yield half a minute to the Senator from Vermont.

Mr. AIKEN. I had not intended to mention the names of any cotton mills, but inasmuch as the Senator from Rhode Island has brought Berkshire Hathaway, Inc. into the picture, I point out that their net profit for the 6 months ending March 31, 1956, was \$1,190,765, or 53



cents a share, as compared with \$786,707, or 34 cents a share for the corresponding period a year ago, or almost double. In addition they wrote off twice as much depreciation last year as they did in 1954. They have also paid their regular quarterly dividend to stockholders.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I know that they had a slump in 1954. I hope they will not have any worse trouble. I am willing to protect them, but I am not willing to protect them by injuring most every other New England industry.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. Mr. President, I yield an additional half minute to the Senator from Vermont for the purpose of answering a question.

Mr. PASTORE. Does the Senator deny that 13,000 workers are to be laid off for an extended period?

Mr. AIKEN. I do not deny that they are being laid off; and I do not deny that the company has had every one of its workers in Vermont sign a card which has undoubtedly been provided by the company, asking me, in effect, to support this amendment.

Mr. YOUNG. Mr. President, I yield 5 minutes to the junior Senator from South Carolina [Mr. WOFFORD].

Mr. WOFFORD. Mr. President, there are many reasons why the United States should protect its cotton textile industry against the importation of foreign products. I shall not attempt today to recite all of the reasons. I shall only attempt to point out a few basic ones.

First of all, it should be clear that the American textile industry and its employees are not complaining because they fear damage will be done as a result of imports from Japan and other textile manufacturing countries. They are complaining and asking for relief because damage has already been done.

Already the cotton textile industry in the United States has lost 30 percent of its cotton blouse business. It has lost 40 percent of the gingham business. It has lost 70 percent of the velveteen business.

Several laws are on the books which give full authority to the executive branch of the Government to take action to give relief to any industry which is so hard-pressed as the textile industry. These laws include the peril-point determination which gives the President authority to prevent further tariff reductions on items found in danger from imports. Then there is the so-called escape clause which gives the President authority to increase the tariff on imported items found to be seriously endangering a domestic industry. Both of these provisions are contained in the Reciprocal Trade Agreements Act.

Another provision is found in section 22 of the Agricultural Adjustment Act. This authorizes the fixing of quotas on the importation of items made of commodities on which prices are guaranteed by parity provisions.

This is the section of the law this amendment would amend so as to make protection mandatory instead of discretionary. Since it has not been used in

its present form, I believe we have no choice except to make it mandatory—unless we are prepared to take part of the responsibility for the serious damage to our textile industry.

But the 2,400,000 employees of the cotton textile industry and its related industries have received no relief from these provisions of the law. This is not because relief cannot be given. It is because the State Department, the Agriculture Department, and the Chief Executive apparently consider the wants of the peoples of foreign lands more highly than they do the needs of the people employed in and operating the American textile industry.

The only relief that has been secured for this trouble-besieged industry has come from the Congress itself. That was the relief given when the Congress last year approved the amendments to H. R. 1 limiting the possible reduction in tariffs. Even that came too late to prevent the harmful results of the negotiations then going on in Geneva, Switzerland. The GATT conference of 1955 dealt the American textile industry severe blows from which it will take many years to recover.

The only hope that this basic industry will be properly protected lies in the hands of the Congress. Unless we take action to insure this great industry against the inroads of foreign imports, we must expect further curtailments of production and additional laying off of workers in the plants. We shall hear of more plants closing. We shall find ourselves in the position of a doctor who failed to use preventive measures for a sick patient to keep him from becoming even sicker.

Already closings, work curtailments, or canceled plant expansions have been announced by the following mills:

Springs Mills, of Lancaster, S. C., including curtailment of operations and postponement of expansion plan.

Camperdown, of Greenville, S. C.

Greylock division of Berkshire Hathaway, of North Adams, Mass., including lengthened vacation period beyond normal vacation.

Consolidated Textile Co. at Martinsville, Va.

Luther Manufacturing Co., of Fall River, Mass.

Windsor Print Works, of North Adams, Mass.

Cone Mills, of Greensboro, N. C., plans for new plant in Texas, canceled in October after flood of Japanese textiles as result of GATT negotiations.

An ounce of preventive medicine for our textile industry now is much better than trying to find the right pound of cure later.

Perhaps there are some here who believe the Japanese will take care of the situation themselves through their self-imposed quotas. Let me disabuse you of any such idea.

The Embassy of Japan here in Washington issued a report on May 31 with which it enclosed a copy of an economic report on Japan by the Foreign Information Service of the First National City Bank of New York. That report is a glowing account of the progress Japan

has made economically and of future prospects.

Let me cite a few sections from the report. The very first paragraph says:

Japan, during the past 2 years, has made impressive economic progress at a rate matched by few countries. And the outlook for the rest of this year is favorable. \* \* \* Exports are running at record levels.

Even after admitting that the exports of Japan face growing protectionist moves abroad, the report paints a rosy picture.

I am happy that Japan is making a fine recovery from the devastation of World War II. I am not pleased that it appears evident from this report that Japan intends to score most of its progress at the expense of the United States, and particularly at the expense of our textile industry.

Speaking of streamlined production, the report states:

New processes were adopted in cotton spinning, and almost all industries achieved economies in power consumption per unit and in labor productivity.

In principal industries, costs were reduced 15 to 25 percent between September 1953 and March 1955. Export prices have remained stable, or even declined in some instances. This is in marked contrast to the upward movement of prices in many other countries during the same period.

Under the subhead of "Sharing in World Prosperity," the report states:

Faced with a sharply reduced domestic market, many Japanese producers have no alternative but to aim for the export market. The result was that since 1954 practically all industrial expansion has a place in export industries. \* \* \* And there were other factors, including \* \* \* easing of trade restrictions in many countries.

Special procurements (so-called invisible exports), although considerably below 1953 levels, have held up fairly well as a result of heavy United States spending in Indochina and elsewhere in Southeast Asia.

Discussing diversification of exports by Japan, the report points out:

Except for the United States, no single country now purchases more than 4 percent of Japan's total exports. Only 15 countries last year bought more than 2 percent of the total.

The report makes clear that United States exports to Japan are decreasing while Japanese exports to the United States are increasing.

It states that imports from Japan to the United States increased 50 percent in 1955 to \$416 million.

From all indications they have continued high this year. Japan's efforts to broaden her market here—and to raise the quality of goods sold—have been successful. \* \* \*

The slight decline in United States exports last year—to \$637 million from \$677 million in 1954—was chiefly due to smaller cotton sales.

While all of the statements of the report are intended to show the remarkable recovery which Japan has effected since the end of World War II, they also show who is paying for the progress to a large extent.

Let me refer further to the matter of the self-imposed restrictions of the Japanese on textile exports to the United States.



An actual quota has been applied on only one item of made-up apparel. That is women's blouses. The Japanese have promised to reduce the export of blouses to the United States this year to 30 million. Last year the figure was 48 million.

Twenty other items of apparel have been placed under Japanese export licensing, but no quotas established.

They have also announced they will limit their fabric exports to the United States to a quota of 150 million square yards in 1956. That is quite a volume.

But now let me point out how simple it is for the Japanese to wipe out their self-imposed restrictions. I wish to add here that it is my understanding that our State Department has refused to agree even to permit negotiated quotas with Japan. Therefore, we should not be surprised to learn that the Japanese have decided to remove the restrictions they have temporarily placed on textile exports to the United States.

The note delivered to the Secretary of State by the Japanese Ambassador on May 16, 1956, stated the intention of the Japanese textile circles to continue self-imposed quotas, but the note also contained a very important qualification to that statement.

It stated:

If for any reason they decide to increase the export quantity, they will take appropriate steps to inform the United States circles concerned of such a decision not later than 3 months before enforcement.

Thus, Japan can with only 90 days' notice, launch even stronger onslaughts against our textile industry than are underway now. There is no agreement to bind the Japanese. They are free to act at any time.

Yet our protective provisions under the Reciprocal Trade Agreements Act, as amended, gives the Tariff Commission 120 days to make a peril-point determination—30 days more than the Japanese promise in notifying us of lifting their voluntary quotas.

Also, before the escape clause can be invoked when an American industry makes a complaint that it is being seriously damaged by the importation of foreign products, the Tariff Commission has 9 months before it is required to make a report to the President.

This means that if the Japanese were to lift their restrictions, the Tariff Commission would have 6 months even after the new Japanese regulations went into effect before the Commission is required to report how serious the damage is.

However, my purpose here is not to criticize the Tariff Commission. Under the escape-clause provision, 72 complaints have been filed with the Commission. Some have been terminated and some are still pending.

In 25 cases the Commission decided against escape-clause action and in 15 cases the Commission recommended to the President that the escape clause be invoked. In four other cases the Commission divided evenly.

The important point is, however, that the President declined to invoke the escape clause in 11 of the 15 positive recommendations by the Commission. The escape clause has been invoked only 6

times and 2 cases are now pending before the Chief Executive.

These figures involve cases before both President Eisenhower and President Truman. They make clear the point that American industry—of whatever nature—cannot depend upon our present provisions of law for adequate protection from the inroads of foreign imports.

Further proof that the present laws are not adequate to provide the protection necessary for our domestic industries is found in a memorandum of May 9, 1956, from the Tariff Commission to the Senate Finance Committee.

This memorandum dealt with Senate Resolution 236, introduced by Senator PAYNE and cosponsored by a number of other Senators, including myself. The resolution would direct the Tariff Commission to determine whether any textile or textile products are being imported into the United States in such quantities as to cause or threaten serious injury to American industries producing competitive products.

The Tariff Commission stated in its memorandum that the proposed resolution would "impose upon it a task of such magnitude that the Commission could not complete any substantial part of it within the limitation of 9 months" and that the "objection sought in the proposed resolution can better be achieved in other ways."

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. WOFFORD. Mr. President, will the Senator yield me 1 additional minute?

Mr. YOUNG. I yield an additional minute to the Senator from South Carolina.

Mr. WOFFORD. The Commission did not specify what other ways might be employed. But the very fact that the Commission declares the task of keeping up with the problem of a single large industry is too great an assignment, makes clear that action must be taken by the Congress to establish a safe and sure method of protecting domestic industries against foreign imports.

We are here dealing with the same problem which the Congress considered last year in connection with H. R. 1 and Senate Resolution 121. But now we have the additional problem created by the sale of America cotton at world market prices.

The Japanese have long had a great advantage in the fact that wages in the Japanese textile plants are approximately one-tenth as high as American textile wages. Now they can buy our raw cotton at prices from 8 to 10 cents less per pound than paid by American mills.

Everything that has happened has been to the advantage of our competitors in foreign countries. Nothing has been done to provide the insurance essential to the industrial health of our own country. Now is the time to write into law a provision which will give our own people an even break with their competitors who have been aided so much through the postwar years by American tax dollars.

You have heard the arguments that textile imports to the United States amount to only 1½ percent of the total consumption of textiles in this country. You have not been told very much about the bare 2½-percent average profit margin of our domestic textile industry.

Of course, what that means is that even a minute increase in cheaper foreign textiles can have a disastrous effect on the industry. The comparative percentage of imports do not have to be high to ruin the industry. This is particularly true when the imports are in certain specialties because plants producing those same items in this country must take the brunt of the injury.

Mr. President, I am not making a plea for any Federal aid or for any handouts to the people of the textile industry. My plea is simply for them to be given an opportunity to compete on even terms with foreign manufacturers. I believe our people are due that consideration when we spend billions of dollars overseas to sustain the economy of foreign countries.

I am trying, Mr. President, to prevent increased cries for aid to depressed areas in this country. What we should do is to establish safeguards against depressions which are caused by foreign competition. Then there will be no necessity for handouts at home.

Many of us have seen the faces of unemployed men. We have heard the cries of hungry children when the industrial plants were closed in our States.

I hope the Senate today will approve this amendment and help to keep our plants running and our people at work.

If we are not willing to provide for the well-being and opportunity of our own people, we should not vote for 1 cent of assistance overseas.

Mr. YOUNG. Mr. President, I yield 1 minute to the Senator from Kansas.

Mr. CARLSON. Mr. President, I rise to support the amendment offered by the Senator from North Dakota [Mr. Young], myself and other Senators. I would be less than frank if I did not state that I do not necessarily agree that this is the best way to handle the problem of agricultural imports. However, it is a matter which is now before the Senate. Those of us who are concerned with the problem of farm surpluses as affected by imports should support this amendment. We must remember that our imports of farm commodities in dollar value are greater than our exports in dollar value.

We have a surplus of more than 1 billion bushels of wheat; yet we will import about 6 million bushels of wheat this year. I realize this is a small amount, but let us keep in mind that we have forced our wheat growers to reduce their acreage of some 78 million acres in 1951 to 55 million acres at present.

Last year we imported pork products valued at more than \$107 million and at the same time the Federal Government spent about \$103 million on a pork buying program. This to me does not make sense. This is a problem that is not easy of solution, but it is one Congress must face. I predict that if the departments authorized to act on this



problem fail to do so, the next session of Congress will take early action.

Mr. YOUNG. I yield 3 minutes to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. For the last year and a half we have been trying our best to get some action from the administration which would help to solve the problem we are discussing this afternoon. It is because we cannot get any results from the administration that we are discussing the matter on the floor today, in an effort to do something for the people who are engaged in the textile business throughout the United States.

It is true that thousands of textile workers are being thrown out of employment at the present time. Mills are closing down or curtailing their production. Some are cutting their production from 5 days a week to 3 days a week. In a great many instances the profits are going down year by year. In 1952 the profit was 5 or 6 percent. Today it is down to 2 percent.

The real issue involved in the problem of increasing cotton textile imports has been overlooked in recent discussions.

Some people agreed with the executive director of the Council for Improved United States-Japanese Trade Relations when he said recently that the greater national interests of this country will suffer if imports of any products are restricted. It is clear, by this time, that the administration shares this view and that appraisal may well be a true one.

But that is not the issue.

The real issue is centered in the fact that cotton textile imports are materially interfering with America's programs of acreage reduction and price support programs. There can be no doubt of this fact.

Some people probably will be surprised to know that the United States Congress passed a law in 1935 to restrict imports when those imports materially interfere with any price support, acreage restriction or other type of agricultural program.

This law is known as section 22 of the Agricultural Adjustment Act. Its general purpose is to prevent an increase in imports from, first, partially or completely offsetting effects of farmers to eliminate surpluses and bring supplies into balance with demand, and from, second, taking over part of the United States market and forcing more United States farm products into Government warehouses.

Here is the point. If cotton textile imports are materially interfering with acreage reduction and price support programs, and if there is a written law to prohibit just such a situation, why is that law not put into effect?

A raw cotton import quota was fixed at 29,000 bales under section 22. Reasoning behind this quota held that imports in large amounts would materially interfere with agricultural programs already mentioned. The important thing to realize here is that imports of cotton in the form of cotton products last year were almost nine times 29,000 bales. And, if estimates of future imports are anywhere near correct, they will account for 35 times 29,000 bales.

Section 22 clearly states that whenever the Secretary of Agriculture has reason to believe that any articles are being imported—or are practically certain to be imported—in the United States “in such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, 74th Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture with respect to any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts.”

That can be found on page 182 of a little book published by the Department of Agriculture's Commodity Stabilization Service. It is a compilation of statutes relating to marketing quotas, price support and related statutes. I invite you to read section 22 carefully.

Let me repeat, this whole question does not even relate to one's views on the question of whether the United States should import or export textiles, raw cotton, other farm products, or industrial products. It is simply a question of whether the present level of textile imports “materially interfere” with Government cotton programs or whether the level of imports is “practically certain” to increase to the point where they will “materially interfere” with the programs.

Here are the facts: United States supplies for the current season are at an all-time peak. United States exports are the lowest in 100 years—except for World War II and the Civil War—United States cotton acreage has been cut 40 percent in 3 years, with current acreage the lowest since 1883.

And even in the face of this critical surplus situation and while American farmers cut acreage, the raw cotton equivalent of textile imports has been constantly increasing and is currently two and a half times the 1954 level.

This quantity of cotton is the normal production of about 640,000 acres, more acres than the Government will permit farmers to grow in any of the States of Arizona, Florida, Illinois, Kentucky, Louisiana, Missouri, Nevada, New Mexico, North Carolina, or Virginia.

There is no doubt on the part of informed members of the industry that these imports will increase rather than diminish, if left unrestricted. When the Japanese, for instance, relax or abolish their export quotas, imports of cotton products into the United States can be expected to jump sharply. And there is serious apprehension in many quarters these quotas—such as they are—will be relaxed or abandoned after Congress adjourns.

To date, the United States Government has consistently refused to make controls on Japanese-United States trade effective. The administration has turned down every suggestion, offered by Japanese and American manufacturers alike, that steps be taken toward the negotiation of a mutually acceptable limitation on shipments.

Lacking the benefit of industry-to-industry consultations, because the American Government does not sanction them, the Japanese are unable to maintain export controls that preclude excessive concentrations of shipments, such as the current inrush of gingham fabrics.

The gravity of the present import crisis is accentuated by the fact that the textile industry has no margin or profit with which to meet foreign competition in home markets. At no time in the past 7 years has the textile industry of the United States earned a rate of profit as high as the average of American manufacturing industries in general. Even in 1955, the most profitable year the American economy has ever known, textile profits were less than one-half the all-industry average.

The whole idea of international trade is based on the assumption that countries export more of certain items than they import, in order to import more of certain other items than they export. Doubtless, there is no example in the whole picture of United States foreign trade where exports of a particular item exactly balance the imports of that same item.

America, traditionally, has been for many years an important exporter of cotton textiles. In view of the surplus of raw cotton in this country, the high level of clothing consumption of the American population, and the low level of clothing consumption in many areas of the world, this is expected certainly, in any logical world trade pattern.

Let me point out here that there was no hesitancy in using section 22 of the Agricultural Adjustment Act to restrict imports of wheat, as well as wheat flour. Why? Because wheat is a price supported commodity and large imports of wheat or wheat flour would imperil the success of the price support program on wheat.

In other words, flour made from American-grown wheat was imported in such quantity as to “materially interfere” with the price control program, and the restrictions were imposed to protect wheat farmers.

None of us should ever forget that the American cotton farmers biggest, most immediate, and most reliable market is the domestic textile industry. Mills in this country currently are consuming cotton at an annual rate of 9.2 million bales, or two-thirds of the crop.

In contrast, exports of raw cotton to overseas buyers have been declining and it now appears that the overseas sales for the 1955-56 crop year will be less than 2 million bales. The bulk of these export sales of raw cotton are being financed by the United States Government. Even Japan's takings of American cotton have declined during the very period of her



increasing textile sales to the United States.

The farmer's biggest stake is in his home market. His future well-being depends first of all on a profitable, expanding textile industry in the United States. Producers of cotton or any other commodity cannot long be prosperous if their best customer is going broke.

A reasonable and workable control system on foreign textile imports, restoring confidence to American mills as a basis for future expansion, will increase the farmer's chances for sounder prosperity.

Based on Japan's own estimates, cotton product imports from that nation during 1956—as I said before—will be equivalent to at least 375,000 bales of cotton.

Will that "materially interfere" with Government programs of acreage control and price support? Will importing the equivalent production of 375,000 bales of cotton seem inconsistent with the aims of the soil bank to the American farmer?

Certainly it does seem clear that the point has now been reached where cotton textile imports are, in fact, materially interfering with current agricultural programs engineered to relieve farm problems.

If the executive branch fails to act, then Congress has no alternative but to impose section 22 of the Agricultural Adjustment Act.

The PRESIDING OFFICER. The Senator from California has 3 minutes remaining.

Mr. KNOWLAND. Mr. President, I merely wish to say that, in the judgment of the President of the United States and of the State Department, adding the proposed amendment to the bill would be highly detrimental to our foreign policy.

I have pointed out that the administration is following procedures which have been established by laws passed under both Democratic and Republican administrations. Those procedures have been set up under the Reciprocal Trade Agreements Act and under amendments to that law. First, the Tariff Commission considers a matter and then it goes from the Tariff Commission to the President of the United States.

I give assurance to all Members of the Senate that I have personally brought to the attention of the very highest level of Government, at the White House and elsewhere in the executive branch of the Government, the importance of taking some action to protect the textile industry of the United States. This matter is not being bottled up in the State Department. The State Department is mindful of the problem. The President of the United States is mindful of the problem. The proper procedures are being followed, and I submit they are the orderly procedures.

In the meantime, we have taken certain other steps to provide a subsidy to manufacturers of raw cotton, so that their products will be competitive with world cotton from the standpoint of the world price. In that way, American manufacturers of textiles will not be in

a difficult position in connection with this situation.

Mr. President, I ask that the amendment be rejected. I do not say that there is not in existence a problem which must be solved. I know that the distinguished Senator from North Dakota is vitally interested in this agricultural problem, as all of us are, and I know that Senators from textile-manufacturing States are faced with a very difficult situation.

I am frank to say that I do not believe a statement of profits in the textile industry tells the whole story, because it is possible to have an overall average profit in the industry and yet to find segments of the industry involved in serious economic difficulty. That has happened in the velveteen, in the gingham, and in other branches of the industry.

However, I believe that if we follow the procedures established by law, we will greatly benefit the textile industry and will not set off a chain reaction which may prove to be highly detrimental to American agriculture and industry and labor, by bringing about a whole series of embargoes against American products abroad.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KNOWLAND. Mr. President, on the Young amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, has all time on the amendment been consumed?

The PRESIDING OFFICER. All time has expired.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON of Texas. The yeas and nays have been ordered on the pending amendment; have they not?

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. JOHNSON of Texas. And the vote will be on the adoption of the amendment offered by the Senator from North Dakota [Mr. Young] for himself and other Senators?

The VICE PRESIDENT. That is correct.

The legislative clerk called the roll. All time has expired, and the clerk will call the roll.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from West Virginia [Mr. LAIRD] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Texas [Mr. DANIEL] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Tennessee would vote "nay."

I further announce that if present and voting, the Senators from West Virginia [Mr. LAIRD] and [Mr. NEELY] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business, and, if present and voting, would vote "yea."

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business, and, if present and voting, would vote "yea."

The result was announced—yeas 43, nays 45, as follows:

#### YEAS—43

Barrett	George	Morse
Bender	Goldwater	Mundt
Bible	Green	Murray
Bricker	Hayden	O'Mahoney
Bridges	Hill	Pastore
Carlson	Humphreys,	Payne
Case, S. Dak.	Ky.	Russell
Chavez	Ives	Scott
Clements	Johnston, S. C.	Smathers
Cotton	Kennedy	Sparkman
Curtis	Kuchel	Stennis
Dworshak	Langer	Welker
Eastland	Magnuson	Wofford
Ervin	Malone	Young
Frear	McClellan	

#### NAYS—45

Aiken	Hennings	Millikin
Allott	Hickenlooper	Monroney
Anderson	Holland	Neuberger
Beall	Hruska	Potter
Bennett	Humphrey,	Purtell
Bush	Minn.	Robertson
Butler	Jackson	Saltonstall
Byrd	Johnson, Tex.	Schoeppel
Case, N. J.	Kerr	Smith, Maine
Dirksen	Knowland	Smith, N. J.
Douglas	Lehman	Symington
Duff	Long	Thye
Ellender	Mansfield	Watkins
Flanders	Martin, Iowa	Williams
Fulbright	Martin, Pa.	
Gore	McNamara	

#### NOT VOTING—8

Capehart	Kefauver	Neely
Daniel	Laird	Wiley
Jenner	McCarthy	

So the amendment offered by Mr. YOUNG, for himself and other Senators, was rejected.

Mr. JOHNSTON of South Carolina. Mr. President, I call up my amendment designated "6-27-56-D"

The VICE PRESIDENT. Does the Senator from South Carolina desire to have his amendment read?

Mr. JOHNSTON of South Carolina. It is not necessary to have it read.

The VICE PRESIDENT. The amendment offered by the Senator from South Carolina will be printed at this point in the RECORD.

The amendment proposed by Mr. JOHNSTON of South Carolina (for himself, Mr. PAYNE, Mr. GREEN, Mr. SCOTT,



Mr. WOFFORD, and Mr. KENNEDY) is as follows:

On page 51, strike out the double quotation marks at the end of line 12.

On page 51, between lines 12 and 13, insert the following:

"(j) Section 22 of the Agricultural Adjustment Act of 1933, as amended, is amended by adding at the end thereof a new subsection as follows:

"(g) The import of cotton or products manufactured therefrom into the United States in quantities in excess of the annual average quantity of such commodity or of such products, respectively, imported during the preceding three calendar years whenever there is or is practically certain to be a surplus of cotton in the United States, renders or tends to render ineffective or materially interferes with the agricultural programs or operations referred to in subsection (a) of this section or operations under the provisions of the Soil Bank Act and will also reduce substantially the quantity of products processed in the United States from cotton or cotton products, and therefore establishes a condition requiring emergency treatment in the form of quantitative limitations as authorized under the provisions of this section. The Secretary of Agriculture is, therefore, directed to determine and report to the President whenever there is or is practically certain to be a surplus of cotton in the United States and whenever such commodity or the products manufactured therefrom are being or are practically certain to be imported into the United States in excess of the annual average quantity of such commodity or of such products, respectively, imported during the three preceding calendar years. Upon such a report, there shall be imposed, under the emergency authority of this section, such quantitative limitations as may be necessary to remove such interference and to prevent imports of cotton and the products manufactured therefrom in excess of the annual average quantity of such commodity or of such products, respectively, imported during the preceding three calendar years. Such limitations shall continue in effect pending report and recommendations of the Tariff Commission and action thereon by the President pursuant to the other provisions of this section. A determination by the Secretary of Agriculture under this subsection shall be made immediately upon the enactment of this Act and thereafter between August 15 and October 15 of each subsequent calendar year.

"To assure to the maximum extent practicable equitable treatment among exporting countries and to prevent undue concentration of imports of any article within any tariff schedule or classification of product, the President is authorized to establish reasonable classifications of cotton and the products thereof on the basis of either their physical qualities, value, use, grade, or upon such other bases as he shall determine and to impose such further limitation by classifications of cotton or cotton products as he determines necessary to effectuate either of these objectives. Notwithstanding any of the foregoing provisions, whenever any cotton or classification thereof, or any such product is subject to quantitative import limitations under any other provision of this section, that cotton or that product, as the case may be, shall not be subject to the provisions of this subsection.

"Nothing in this section shall be construed to affect any right, privilege, or remedy provided under section 7 of the act of June 16, 1951, or under the other provisions of this section.

"For the purposes of this subsection, cotton shall be deemed to be in surplus in the United States whenever the supply thereof is in excess of the normal supply thereof, as defined in the Agricultural Adjustment Act of 1933, as amended."

The VICE PRESIDENT. How much time does the Senator from South Carolina yield himself?

Mr. JOHNSTON of South Carolina. I yield myself 5 minutes. The purpose of the amendment is to place a temporary limit on the constantly increasing imports of cotton textile products into the United States pending an investigation by the Tariff Commission and action by the President on this very serious problem, in accordance with authority already provided in section 22 of the Agricultural Adjustment Act of 1933.

The amendment would require the use of the emergency authority of section 22 to establish quantitative limitations on the imports of cotton textiles at a level not to exceed the past 3-year-average imports. This emergency limitation would remain in effect during the period required for the Tariff Commission to investigate the situation and develop its recommendations to the President, and for the President to act upon such recommendations, as is now provided in section 22.

This amendment makes no fundamental change in the prescribed procedure for the determination of the facts by the Tariff Commission. Neither does it limit the authority of the President to decide ultimately whether quantitative limitations should be imposed, and if so, in what amount. It merely, first, temporarily controls imports to keep a very serious situation from getting further out of hand and, second, sets the wheels in motion for finding a solution to this problem through the presently established procedures of section 22.

I wish to call to the attention of the Senate some of the things which are happening in regard to the importation of materials made in Japan.

In 1953, 30,666,000 square yards of cotton cloth were shipped into the United States. In 1956, at an annual rate based on actual imports during January and February, and reports from Japan of March exports to the United States, the amount will have increased to 243,756,000 yards. That is an increase of 696 percent from 1953 to 1956. It shows the seriousness of the situation at present.

In 1953 only 277,000 square yards of cotton velveteens were imported. But let us look at the year 1955. In that year 5,754,000 square yards were imported, an increase of 1,977 percent.

In 1953, 791,000 cotton sheets and pillow cases were imported. In 1956 the number will have increased to 11,792,000, an increase of 1,391 percent.

In 1953 and 1954 cotton outerwear to the value of \$540,000 was imported. In 1956 the import will be valued at \$2,443,000, an increase of 353 percent.

Moving on to cotton wearing apparel, in 1953 and 1954 the value of the imports was \$1,315,200. In 1956 it will be \$44,055,600, an increase of 3,250 percent.

In 1953 and 1954, 139,200 dozen handkerchiefs were imported. In 1956 the imports will be 1,228,400 dozen, an increase of 768 percent.

Mr. President, it can readily be seen why the cotton mills are closing down. The Camperdown Mill in Greenville, S. C., where my mother worked as a little girl, and which has been operating

for 84 years, closed down, with the statement that it could not compete with cheap labor of 15 and 16 cents an hour.

The PRESIDING OFFICER (Mr. ALLOTT in the chair). The time of the Senator has expired.

Mr. JOHNSTON of South Carolina. I yield myself 2 more minutes.

Then it will be found that other cotton mills are cutting down their working week from 5 days to 3 days.

I am offering the amendment as an emergency measure at the present time, a temporary stopgap, so to speak, in order that the administration may look into the situation, make its report, and then put into effect such measures as it believes to be right and just.

Mr. HENNINGS. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HENNINGS. May I ask my distinguished friend from South Carolina whether his amendment is optional or permissive? Did he make that plain in his explanation of the amendment?

Mr. JOHNSTON of South Carolina. It is permissive.

Mr. HENNINGS. It is permissive for the President to do so?

Mr. JOHNSTON of South Carolina. Yes. When a recommendation is made, he can either accept it or not accept it.

Mr. HENNINGS. It is not a mandate to the President?

Mr. JOHNSTON of South Carolina. No.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. ERVIN. I will ask the Senator if the escape-clause procedure is not a device to bring about a locking of the stable doors after the horse is stolen.

Mr. JOHNSTON of South Carolina. That is true at the present time. Many mills have gone out of business, and others have had their profits greatly decreased. Industry in America as a whole will be found to be making an average profit of 6 percent. That is the average for all the United States. But profits in the textile industry have dropped to almost 1 percent in the last year. That means that a great many of the mills are not making any profits.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KENNEDY. Does not the Senator from South Carolina feel that, if it is in the national interest for the United States to encourage Japanese industry, the burden should be carried very substantially by new and growing and strong industries, rather than by the textile industry, which, unfortunately, pays low wages and which has suffered severe losses in the past 10 years? Does the Senator not believe that it is unfair, if it is in the national interest to maintain the industry of Japan, for an industry which is already staggering to maintain the great load which the United States Government has placed on it?

Mr. JOHNSTON of South Carolina. It is very unfair to the textile industry of America to have to carry the load of



trying to compete with imports of products from countries having cheap labor.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. JOHNSTON of South Carolina. I yield myself 1 additional minute.

Mr. KENNEDY. Is it not a fact that from 1947 to the first quarter of 1955 the decline in textile jobs in New England was from 301,000 to 172,000, or a drop of 43 percent, and that the persons who are still working in that industry are getting extremely low wages in comparison with those paid in other industries? Should an industry which has been suffering in that way be asked to carry that heavy load?

Mr. JOHNSTON of South Carolina. I am glad the Senator has mentioned that fact. Not only have that many workers been laid off, but many are working 2, 3, and 4 days a week, and that fact is not shown in the statistics I have given.

Mr. EASTLAND. Mr. President, will the Senator from South Carolina yield?

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. JOHNSTON of South Carolina. I yield myself 1 additional minute in order that the Senator from Mississippi may ask me a question.

Mr. EASTLAND. Does the distinguished Senator see any justice in forcing one American industry to pay for the foreign policy of this country?

Mr. JOHNSTON of South Carolina. It is not right to have one industry pay for the foreign policy of this country and thus to be kept in a difficult condition.

Mr. EASTLAND. The distinguished Senator realizes, does he not, that representatives of the textile industry have been to the Secretary of Agriculture and have pleaded with him to proceed under section 22? They have been to the State Department, and to the White House, and they have been blocked every step of the way by the men in the State Department who sell their country out.

Mr. JOHNSTON of South Carolina. That is entirely correct.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. JOHNSTON of South Carolina. I yield myself 1 additional minute.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. ERVIN. I ask the Senator if he does not agree with me that all Senators ought to vote for the amendment. Otherwise, it would indicate that they were not willing to save the textile industry.

Mr. JOHNSTON of South Carolina. The vote on the amendment involves the question whether or not one wants to save the textile industry of the United States.

Mr. PAYNE. Mr. President, will the Senator from South Carolina yield me time?

Mr. JOHNSTON of South Carolina. I yield 10 minutes to the Senator from Maine.

Mr. PAYNE. Mr. President, in speaking in behalf of the pending amendment,

I should like to first quote a few statistics relative to the importation of some cotton textiles and textile products. In 1955, imports from Japan of cotton cloths, which include broadcloths and gingham, were more than 99 million square yards, and almost 3 times what imports of cotton cloth from Japan were during 1953. The annual rate for 1956, based on actual import figures for January and February, is more than 243 million square yards, or about 2½ times the 1955 level, and more than 8 times the 1953 level. In velveteens, the comparison is even more dramatic. In 1954 imports from Japan were 64,000 square yards, and in 1955 more than 5½ million square yards. This 5½ million square yards is equivalent to about half of domestic production of velveteens. In 1954 imports of sheets and pillowcases from Japan were about 1½ million in number. In 1955, the figure was more than 11½ million; and the figure will be at least duplicated, if not surpassed, in 1956.

Statistics considered in a vacuum are admittedly meaningless. Let us then consider what increased imports have meant to the textile industry. As the Tariff Commission has so ably pointed out, the distress of the domestic textile industry is not general. However, where the distress is present it is acute. For example, in Maine, where gingham, broadcloths, sheets, and pillowcases are important constituents of the overall textile production, the 1956 picture has not been a pleasant one. Two months ago, layoffs and curtailed workweeks were announced in several divisions of the leading textile firms.

A 4-day workweek means the loss of 20 percent of income to thousands of workers and their families, who were at best making little more than enough to subsist on. This month these same mills, along with other mills throughout New England, have announced an extra week's vacation. This will not be a holiday for these workers, Mr. President. This extra week's vacation, which affects some 2,800 workers in Maine alone, is vacation without pay, and is appropriately called a "Japanese vacation." In addition to these cutbacks, layoffs, and forced vacations, the 1956 textile-industry picture has been one of liquidations and plant closings. Although this has not hit Maine as hard as it has some other areas in New England and in the South, these shutdowns and liquidations are a part of the overall picture of serious trouble in the cotton-textile industry.

What is the remedy? Some would say that the textile industry has adequate protection in its recourse to an escape-clause investigation by the Tariff Commission to determine if real damage to the domestic textile industry is in fact being caused by increasing imports of textiles and textile products. The industry has in fact attempted to get remedial action through this escape-clause device. There are investigations now pending on several cotton-textile items. But, Mr. President, while the Tariff Commission takes anywhere from a year to 18 months to 2 years to investigate the situation, plants are closing, workers are filing into the rolls of the unemployed,

or are receiving substantially lighter pay envelopes, and whole segments of the domestic textile industry are faced with annihilation.

Mr. President, in the case of cotton-textile imports, the events of the past 2 years have demonstrated that the regular escape-clause device is an inadequate means for providing the kind of remedial action which is needed. In the case of cotton textiles, increases in imports have been so sharp and so rapid that the damage is done before help arrives.

Mr. President, we are faced with a situation in which we close the barn door after the horse is stolen. Relief, when and if it comes as the result of an escape-clause investigation, does not replace the sales lost by the domestic industry, does not buy back plants which have been liquidated because of production curtailment, and does not put money back into the pocket of the textile worker who has been working a 4-day week or who has been put off the payroll for a week.

The amendment now pending before the Senate will not legislate a permanent quota restriction. It will, however, curb the inflow of textile imports, pending a full review of the situation, when imports have passed a specified point. In other words, the amendment will protect the horse, in the face of an apparent danger, until the competent authorities can determine whether the danger is real. If the danger is only apparent, the quota can be removed. If the danger is real, the President may maintain the quota, adjust it to meet the needs of the situation, or take other remedial action within the scope of section 22. Mr. President this procedure seems to me to be eminently fair, and one with which no one can quarrel. The amendment will not grant to the domestic textile industry protection all out of proportion to the facts. On the contrary, the amendment, as in the case of judicial procedure, calls a halt to the action in question until the facts can be determined and the issues decided.

Before concluding my general remarks in favor of the pending amendment, I should like to discuss one more aspect of the textile-import problem. The Japanese Government has announced an export-control program to limit the quantities of cotton textiles which may be shipped to the United States. The action of the Japanese Government is highly commendable. I would not question the sincerity of the Japanese Government's efforts to contribute to a solution of this problem. It, itself, has recognized the fact that constantly increasing exports of cotton textiles to the United States constitute a threat to the domestic textile industry which cannot be tolerated in the United States. Nor do I question the intention of the Japanese Government to do everything it can to implement and make effective the controls on textile exports which it has adopted. However, I do suggest that it is beyond the power of the Japanese Government, as it would be beyond the power of any other free and democratic government, to control effectively the export of certain goods to another nation, while permitting a free flow to most other countries. What is to prevent the



Japanese exporter of cotton textiles from shipping his goods to Hong Kong, for example, and to prevent the Hong Kong merchant, in turn, from shipping these textiles to the United States? Transshipment is extremely difficult to control, even when a government has the best of intentions. I think it is significant to note that shipments of cotton cloth from Japan to Hong Kong in the first 3 months of 1956 are 13 times larger than they were a year ago.

Mr. President, effective control over Japanese exports to the United States cannot come from the Japanese Government. Only the United States Government, through quantitative controls, imposed at points of entry into the United States, can insure a safe level of textile imports.

Mr. President, I urge adoption of the pending amendment in the firm conviction that the textile industry needs this safeguard. And I am equally convinced that the interest of the textile industry and of the million and more people the industry employs requires the adoption of this amendment.

Mr. President, I ask unanimous consent that two resolutions relative to the textile-import problem, which were adopted by the local unions affiliated with the Biddeford-Saco Joint Board of the Textile Workers Union of America, AFL-CIO, and by a group of merchants in Biddeford, Saco, and Old Orchard Beach, Maine, be made a part of the RECORD at this point as a part of my remarks.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

#### RESOLUTION ON FOREIGN TEXTILE IMPORTS

The health of America's textile industry, of which Biddeford-Saco is an integral part, is being particularly threatened by rising imports from foreign countries, particularly Japan.

Expanding imports of cotton cloth, broad-woven fabrics, sheets and pillowcases, rope and twine, have aggravated American textile conditions generally and Biddeford and Saco prospects in particular. In 1947, 16 million yards of broad-woven fabrics were imported. By last year the yardage had risen to 133 million.

Their postwar rehabilitation completed, Japanese mills once again have become highly efficient low-cost producers. Along with that, acceptance of Japan into the General Agreement on Tariffs and Trade allows them to reap benefits from many tariff reductions.

From Japan alone imports of cotton cloth more than doubled in 1 year, jumping from 47.8 million yards in 1954 to 99.5 million in 1955.

In the United States market last year, Japanese imports had assumed the following proportions: Ginghams 25 percent, damasks 58 percent, velveteens 65 percent. Finished cotton products imported from Japan in 1955 included 12 million sheets and pillowcases. Imports of Japanese twines rose from 53 million yards in 1947 to 194 million in 1955. Rope imports from Japan were 4 million yards in 1947, 8 million in 1955.

Clearly, employers processing basic textiles from Japan are undermining our native industry both nationally and locally.

The remedy for this obviously is not liberalization of the textile-tariff structure. Rather, such a move would compound con-

fusion into chaos, enabling foreign nations through callous and indifferent employers here to build a permanent, large-scale market at a cost of widespread unemployment among American workers.

The only answer possible is further restriction on imports through quotas or an ascending scale of tariff rates to protect the American textile industry.

A sound American economy requires a sound American textile industry. The leadership the industry has provided through technological advances has pushed our productivity ever upward. To allow foreign textile imports to erode what has become the economic mainstay of communities such as Biddeford, Saco, and Old Orchard Beach and regions such as New England cannot and must not be tolerated: Now, therefore, be it

*Resolved, That—*

1. We urge the adoption of quotas or an ascending scale of tariff rates on textile imports from low-wage areas abroad, particularly on printcloths, velveteens, ginghams, sheets, and pillowcases. Imports of cotton garments should not be permitted to circumvent the effect of such measures.

2. We urge the International Labor Organization's early development of an international fair labor practices code to establish an appropriated minimum wage and 40-hour workweek in all other textile countries.

3. We urge modernization of dumping laws to prevent sale of goods in the United States at prices below those in the country where they were manufactured.

4. We urge imposition of duties on all soft- and hard-fiber products and a quota on imports of textile products.

5. The Biddeford-Saco Joint Board, TWUA, will solicit from the Biddeford, Saco, and Old Orchard Beach merchants signatures on petitions to be sent to President Eisenhower urging action to stop the destruction of the American textile industry.

BIDDEFORD-SACO JOINT BOARD,  
TEXTILE WORKERS UNION OF  
AMERICA, AFL-CIO,  
MICHAEL SCHOONJANS,

*International Representative.*

Adopted by local unions affiliated with the Biddeford-Saco Joint Board at special meeting June 23, 1956.

#### RESOLUTION

Whereas the State Department of the United States is resolved to refrain from assisting the textile industry of this country from the suicidal Japanese textile imports, and

Whereas it is our opinion that the State Department feels that our textile industry, including the textile machinery industry, is expendable, and

Whereas we believe it is for the best interest of the citizens of our community and the economy of this area that these Japanese textile imports be curtailed: Now therefore, be it

*Resolved by the undersigned merchants of Biddeford, Saco, and Old Orchard Beach, Maine, That we will not purchase, stock, or offer for sale any Japanese textile goods which compete with the products of our local textile industry; and be it further*

*Resolved, That we take this stand to inform our customers and our neighbors of our concern over recent developments in the textile industry and our belief that the continued sale of such goods will eventually endanger the welfare of our community and the Nation; and be it further*

*Resolved, That we pledge to continue to cooperate with the Biddeford-Saco Joint Board, T. W. U. A. and local industries in their effort to protect the textile industry from excessive Japanese textile imports by*

enacting and subscribing to the above resolves.

Medora Salvas, Bell Shops, Priscille Desrochers, Bell Shops, Claudette Gagne, Bell Shops, Janet Levasseur, Bell Shops, Wilfred Sevigny, Sevigny's Men's Shop, Morton Wolfe, Bazaar Store, Fred B. Green, Green's Shoe Store, Ben Remar, Remar's, Robert Hanna, Ailain's Jewellery, Albert F. Deshaies, Liggett's Drug Store, Bernard G. Boutin, S. K. Ames, Maurice R. Matson, Matson's, Josephine Rochelleau, Corset Shop, Joseph O. Marcille, jeweler, Conrad Fortier, Boston Shoe Store, Laura Delisle, Delisle's Yard Goods, Lucille Gosseil, D. & H. Sundries, Irene Shevenell, Children's Shop, Curtis News Store, Murphy's Music, Ida H. Baker, furrier, Annette L. Gagne, Theresa Melanson, Claire Morel, Roland M. Horn, Biddeford Hardware & Plumbing Supply Co., Warren Furniture, George Dumouchel, Jean M. Boisse, dry goods store, B. Weinstein, men's store, Jeanne W. Bibeau, dress goods, Mrs. G. H. Spensard, children's shop, Sam Robinson, men's shop, Betty A. Simensky, dress shop, Biddeford, Maine; Fred Rowe Co., C. G. Milliken, manager, Wellwood Stores, Little Folks Shop, I. A. Vanasse, D. Baillargeon, Unity Shop, Saco Pharmacy, S. Victor & Co., Sophocles Victor, Sam Peterson, Jack Roberge, Yvonne Martin, Fenderson's Men's Wear, James C. Nadeau, Saco, Maine; Francis G. Carr, 5 cents and \$1 store, Ritz Gown Shop, John Vamoakroder, Moiko's Department Store, Robert Moiko, Thompson's Store, Marion's H. A. Ramsay, Falia's Jewel Shop, Old Orchard Beach, Maine; Nichols & Co., H. S. Nichols, A. H. Benoit & Co., Ray Bonang, W. E. Youland Co., Lawrence J. Lumb, A. L. Giroux, Quality Shop, C. R. Lavigne, Butler's Department Store, Jeanne Pepin, Parisian Shop, Biddeford, Maine.

Mr. PAYNE. I also ask unanimous consent that a copy of a telegram from Homer L. Brinkley, executive vice president, National Council of Farmer Cooperatives, supporting the principles embodied in the Johnston-Payne amendment, be made a part of the RECORD at this point, as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., June 28, 1956.

Senator FREDERICK G. PAYNE,

*United States Senate:*

By action of its delegate body, the policy of this organization has been that it is fundamentally unsound for our Government to tolerate and encourage excessive importation of agricultural commodities and the products thereof which are produced in surplus in this country and are the beneficiaries of Government farm programs. Section 22 of the Agricultural Adjustment Act was devised to authorize import fees or quotas whenever imports of a commodity interfered or threatened to interfere directly or indirectly with the successful operation of a Government program on behalf of producers of a commodity. We believe the provisions of section 22 should be invoked promptly and effectively when imports impede or threaten to impede farm programs and the recommendations of the Secretary of Agriculture, approved by the Tariff Commission findings should be conclusive on section 22 action. We urge a clarifying amendment to section 22 to provide in the present cotton



and cotton textile situation, that on recommendation by the Secretary of Agriculture a temporary quota of imports of cotton products based on 1955 imports be directed, pending a finding by the Tariff Commission and action by the President under the emergency provisions of section 22 authority.

HOMER L. BRINKLEY,  
*Executive Vice President, National  
Council of Farmer Cooperatives.*

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, I doubt whether any Member of the Senate has spent more time than I have this year in trying to convince the higher echelons of Government that the various segments of our cotton-textile industry need adequate protection. In view of that situation, I am somewhat resentful of the tactics which I find the cotton-textile industry has been using, apparently in an attempt to have legislation of the type now proposed enacted. It is simply amazing that at this time with this bill before the Congress, the cotton-textile mills would lay off their employees for an extra week, in addition to the normal vacation period, and say that that is done because of imports of Japanese cotton goods.

The United States cotton textile industry has applied on the basis of the entire year the imports for January and February. It is well known that one of the weaknesses of our import system has been that the Japanese have been prone to send a large part of their cotton goods into the United States during 2 or 3 months of the year, primarily. I suppose that, in January and February, the Japanese send into the United States at least one-third of their total exports to this country for the whole year. Therefore, it is simply misrepresenting the case to multiply by 12 the figure for January; in that case, the annual figure obtained is simply ridiculous, of course.

Mr. President, I know that the cotton-textile industry is having its troubles. However, it is having its greatest troubles from the competition from paper products and synthetic goods. I do not know how we can stop people from using paper towels or paper diapers or synthetic shirts, if they wish to buy them and use them.

But I am happy to say that I do not believe the cotton-textile industry is in so bad a shape now as it was last year. I make that statement on the basis of the industry's own figures. In 1954 the cotton textile industry in the United States had a bad year, although in 1952 it had a good year. I have made a point of finding out how the various cotton-textile corporations have been doing in the past years, and I find that compared to 1954 they have been doing very well, indeed.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. AIKEN. Mr. President, let me ask the Senator from California whether I may have 2 minutes more.

Mr. KNOWLAND. I yield 2 additional minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 2 more minutes.

Mr. AIKEN. I thank the Senator from California.

Mr. President, I find that the various cotton-textile corporations have been doing very well indeed in making progress, although I am willing to concede that probably their earnings are not what they should be, if investment in this industry is to be made an attractive proposition.

For the fourth quarter of 1954, the net profit of the cotton textile industry in the United States was \$37 million. For the comparable period of 1955, its profit was \$99 million—or an increase of approximately 300 percent. For the first quarter of 1956, its profit rose to \$110 million; and these firms are still making progress. Although I intend to support the cotton textile industry in every legal and ethical manner, I do not intend to vote for any remedy which they propose which would seriously hurt other segments of our industrial and agricultural economy.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. SALTONSTALL. Mr. President, will the Senator from South Carolina yield me 3 minutes?

Mr. JOHNSTON of South Carolina. I yield 3 minutes to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I hope the amendment offered by the Senator from South Carolina and the Senator from Maine will be adopted. The textile industry in Massachusetts and other areas of New England is in a very, very difficult position because of imports from Japan. Japan herself has recognized that fact by establishing voluntary quotas. The difficulty is that those quotas do not by any means help to the extent they should help, because in the case of certain American products the competitive imports come in great quantities, while in the case of others the imports are small. The overall imports are only about 2 percent of our domestic production but with respect to gingham, which we make in Massachusetts, imports represent about 47 percent of our production. I hope, therefore, that this amendment will be adopted. I did not support the Young amendment, which has just been rejected, because, as the Senator from Vermont pointed out so clearly, it represented far too sweeping an effect upon our Nation's agricultural program, while offering no practical helpful relief to our textile industry as such.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. LEHMAN. Am I to understand that the quota system proposed to be imposed would be mandatory? Or would it be discretionary?

Mr. SALTONSTALL. As I understand, it would be a mandatory quota, based on the averages for the last 3 years, until the Tariff Commission acted.

Mr. LEHMAN. There would be no discretion whatsoever.

Mr. SALTONSTALL. That is my understanding.

Mr. LEHMAN. I wanted to establish the fact that the quota system would be mandatory.

Mr. SALTONSTALL. That is my understanding.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. AIKEN. At this writing it appears that the freeze might be temporary. However, would it not be possible to make the freeze on imports permanent by the simple method of making new application from time to time? As I understand, the freeze would last until the various applications had all been decided upon and recommendations had been made by the Tariff Commission. I think it could be made into a permanent freeze.

Mr. SALTONSTALL. I hope very much indeed that it would not be permanent; that certainly would not be desirable from any standpoint.

Mr. AIKEN. If it were a temporary freeze, I would feel much better about it, but I believe it could be made a permanent freeze through the simple process of putting in one application after another.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

Mr. SALTONSTALL. Mr. President, will the Senator yield me half a minute more, to answer a question?

Mr. JOHNSTON of South Carolina. I yield 2 additional minutes to the Senator from Massachusetts.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. COTTON. I should like to associate myself with the remarks of the Senator from Massachusetts with respect to this amendment. With textile wages in the United States 10 times as high as they are in Japan and in the light of the effect of farm price supports on the raw material prices of our textile mills I feel very strongly that the amendment should be adopted.

Mr. SALTONSTALL. I thank the Senator.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. LEHMAN. Does the Senator know of any other instances of the Congress of the United States having mandated the President to make quotas or reductions in tariffs?

Mr. SALTONSTALL. No; I do not. However, as I have said, I hope this situation will be temporary and not permanent, as the Senator from Vermont fears it may be.

Mr. LEHMAN. Does not the Senator agree that it is most unusual for the President to be mandated by Congress, which has not for many years, so far as I know, set quotas or tariffs?

Mr. SALTONSTALL. My only objective is to call attention as forcibly as I can to the very difficult situation which



exists in the Massachusetts textile industry today.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a letter dated June 22, 1956, addressed by William F. Sullivan, of the Northern Textile Association, to Hon. Herbert Hoover, Jr., Under Secretary of State. The letter sets forth the New England textile case very clearly.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTHERN TEXTILE ASSOCIATION,  
Boston, Mass., June 22, 1956.  
The Honorable HERBERT HOOVER, Jr.,  
Under Secretary of State,  
Washington, D. C.

DEAR MR. HOOVER: I regret that it was not possible for you to attend the conference on Thursday arranged by Mr. Hill and Congressman MARTIN to discuss the problems caused by imports of Japanese cotton textiles and apparel on New England mills. Mr. Seabury Stanton, chairman of the executive committee, and Mr. Malcolm G. Chace, Jr., president of Berkshire Hathaway, Inc., operators of mills employing 14,000 in New England, explained the very serious situation with which they are confronted as a result of these imports.

Briefly stated, our problem is this:

1. The policy of the Federal Government regarding the importation of textile products is a matter of survival for our mills. The ability of Japanese manufacturers to produce at vastly lower cost makes it impossible for us to compete in any market to which they have access and which they choose to take over.

2. A clarification of administration policy on the question of whether Japanese textile imports will be permitted to increase is essential because of the present confusion on this matter.

The President wrote to Congressman MARTIN last year in connection with the passage of H. R. 1 to the effect that no American industry would be placed in jeopardy by the administration of this measure. Shortly after, duties on most cotton textile items were reduced by an average of 25 percent, and in some cases by as much as 50 percent. Japanese imports have been increasing at an accelerated rate since that time.

While every attempt to secure relief by executive action has been rebuffed and our efforts to secure legislative action have met the strongest opposition from the administration, representatives of the Department of State, Commerce, and Agriculture have told us that they recognized that a problem does exist. Even the Japanese have indicated an awareness of the situation by announcing voluntary quotas for a limited period on certain types of cotton goods.

A clarification of the United States position is necessary to avoid further demoralization and confusion and to permit the industry to plan realistically for the future.

3. Although Japanese imports of cotton textiles are about 2 percent of the total United States production, these imports tend to concentrate on certain types of fabrics and create problems far greater than the overall figures would indicate. For example, fine combed cotton goods, although made throughout the country, are a type of goods which New England mills make almost exclusively. In the case of velveteens, Japanese imports in 1955 equaled 71 percent of the United States production. In the case of gingham, Japanese imports during the first quarter of this year equaled 47 percent of United States production.

This uneven distribution of Japanese imports at prices below United States mill costs

coupled with the uncertainty as to the total amount of Japanese fabrics and apparel deliveries aggravates an already serious condition. Some mills are in the process of liquidation and many others are operating on short time. Extended shutdowns during the summer have been announced.

4. Tariff Commission proceedings under the "Escape Clause" are frankly too cumbersome and uncertain to be a basis for sound business decisions. In the first place, injury is usually inflicted before a "recommendation" for relief (which may or may not be adequate) can be obtained. Secondly, there is no assurance that the Commission's "recommendations," if favorable, will be adopted. Past experience, and the absence of a clear administration statement, would indicate that such recommendations are more apt to be declined than accepted.

5. The voluntary quotas established by the Japanese do not provide the kind of assurances upon which the mills can rely. The Japanese industry has specifically reserved the right to change such quotas. Furthermore, in the absence of a firm United States policy and regardless of the sincerity of the Japanese, the enforcement of such quotas by the Japanese alone is probably impossible. Transshipment of Japanese goods from third countries is a simple method of evasion.

Even if we assume, however, that the present voluntary quotas are maintained and enforced in the future, two serious objections still remain. First, the Japanese quota on cotton textiles is fixed in an overall amount and permits concentration on certain types of fabrics with consequent unemployment and hardship. Secondly, Japanese quotas have not been announced on many types of fabricated cotton textiles such as apparel and, therefore, there is no limitation on the amounts which may be landed in the United States market.

Although this problem is serious we believe that its solution does not necessarily involve a conflict with State Department policies. We do not seek to exclude Japanese textiles from the United States market. Indeed the industry has suggested that imports 50 percent greater than the average imports of 1953-54 be accepted. This has been done despite great losses in our export markets. The industry has approached this problem with an appreciation of the importance of Japan to the free nations.

We are, however, fully aware of the fact that in the absence of remedial action or a clear, firm and lasting understanding, Japanese textile manufacturers are in a position to cause unemployment and liquidations of American mills or any segment of the textile industry. This, we believe, can be avoided. We earnestly solicit your help in finding a solution.

Very truly yours,

WILLIAM F. SULLIVAN.

Mr. KNOWLAND. Mr. President, I yield 10 minutes to the Senator from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. President, I am always sorry when I must differ with my distinguished colleague from Massachusetts [Mr. SALTINSTALL]. The situation in my State is similar to that in his State. We are suffering from the same trouble. There is no question about our intense interest in the textile problem; but, as decided in the Foreign Relations Committee, this is not the way to deal with the question.

An amendment having the same purpose was considered and rejected by the Foreign Relations Committee. This amendment is different, in that the imposition of import quotas on cotton and cotton textiles would be mandatory unless and until the President, on the rec-

ommendation of the Tariff Commission, canceled the import restriction.

I say without fear of contradiction that this is a mandatory provision, and, as the Senator from New York [Mr. LEHMAN] has just pointed out, it is a new idea for the Congress to dictate to the President of the United States under conditions which he cannot completely control.

If I have correctly analyzed the situation after the consultations which I have had with interested persons the difficulty in the textile industry, and the real problem with respect to Japan can be summed up in this fashion:

Japanese textile imports to the United States cover only a few items, but, the Japanese have concentrated on those items to quite a degree, injuring some of the industries in my State. Therefore the impact on the United States textile producers is not spread out, but is concentrated on a few segments of the industry.

The solution to this problem, as some of us see it, is to work out with the Japanese a better distribution of textile imports, without an increase in total imports, so that no single part of the industry will be adversely affected.

Conversations are now in progress with our Japanese friends on this very point. The question is how to deal with the problem in an effective way. The Japanese have been very cooperative in connection with the entire problem. There is no economic warfare going on. We are trying to solve the problem in the best way that it can be solved, consistent with the interests of both countries. This is the only way to work out the problem satisfactorily.

This amendment has nothing to do with the mutual security program. In our dealings with people abroad, and especially with our Japanese friends, we have a situation which is being constantly readjusted. If the President is suddenly directed to impose certain import restrictions without any consideration of our foreign relations, the result may be serious damage to our entire foreign-relations program.

I feel that this amendment is unnecessary. Section 22 of the Agricultural Adjustment Act and the Trade Agreements Extension Act of 1955 contain provisions authorizing the imposition of import quotas. Applications for relief from imports of cotton textiles are now being investigated on an urgent basis by the Tariff Commission.

As I stated in discussing the previous amendment, I joined the Senator from Maine [Mr. PAYNE] and other Senators in a resolution urging that the Tariff Commission take up the question promptly. The pending amendment would require immediate imposition of quotas, without any investigation or public hearings which would safeguard the interests of all affected parties, and especially our relations with foreign countries.

The imposition of these quotas would have a very serious, adverse effect on the political relations of the United States with countries which are important to our national security. The amendment would tend to cut off trade with impor-



tant allies of the United States and make it more difficult for them to share the defense burden of the free world. The amendment is therefore inconsistent with the objects of the mutual security program.

The amendment would hurt our efforts to dispose of surplus agricultural commodities. We do not wish to confuse our surplus agricultural commodity program and our efforts to dispose of such surplus agricultural commodities with the mutual security program. We are trying to persuade other countries to eliminate import quotas on our agricultural commodities.

It should be pointed out that imports of textiles are very small in relation to domestic production of textiles. They represent less than 2 percent, and they are very small in relation to the United States export of cotton textiles.

Let me emphasize again that the question is one of readjusting the spread in the amount of cotton textiles imported from Japan, and it is a question of working out that problem. I believe if that problem could be solved the textile industry would find it would get the relief it needs. In any event, the matter is being acted upon by the Government through the Tariff Commission and others who have the responsibility of protecting our textile industry.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MANSFIELD. Is it not a fact that the amendment could create serious difficulties in our relations with Japan and that the impact on Japan of the amendment might tend to push Japan toward the Communist orbit?

Mr. SMITH of New Jersey. I agree with the Senator from Montana.

Mr. MANSFIELD. Does the Senator from New Jersey believe that if Japan loses some of its markets in this country, ways and means would have to be found by which to take up the slack, perhaps in Red China; and that perhaps the opening of that market would be sufficiently important to us to recognize the significance of the position which Japan occupies in the world today?

Mr. SMITH of New Jersey. That is a problem which we discussed in the Committee on Foreign Relations, and I am glad the Senator from Montana has called attention to it. We do not wish to push Japan into a horse trade with Communist countries. Japan must find some way of solving its problems. Japan is willing to find a solution of the problem which will be satisfactory to the United States and to our industries, and it is willing to agree to a proper distribution of its textile exports.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. I shall be glad to yield if I have the time.

Mr. KNOWLAND. The Senator from New Jersey, I believe, has 3 minutes. I am unable to yield any more time to him, because of prior commitments.

Mr. MANSFIELD. Is it not correct to say that the Japanese Empire is about 10,000 square miles smaller than the State of California but has a population

of 90 million people and has a birth-rate increase of about 2 million a year?

Mr. SMITH of New Jersey. I believe that is correct.

Mr. MANSFIELD. Therefore Japan is faced with the necessity of making her livelihood, not with what she produces internally but with what she sells externally. Consequently her trade must continue with the outside world or in part must be continued to be subsidized by us or she will go Communist. What does the Senator think about that being the choices facing that country in realistic terms?

Mr. SMITH of New Jersey. I agree with the Senator's observations and conclusions. I believe we should be very much concerned at this time to keep Japan in a strong position economically and politically. We must work out that problem without any confusion. That is the only way to do it.

Mr. MANSFIELD. Some statements have been made to the effect that the State Department was selling this country out. Is it not true that the State Department has no power under the Reciprocal Trade Agreements Act, but that the power rests primarily in the hands of the Tariff Commission and, ultimately, in the hands of the President of the United States, based on the recommendations of the Tariff Commission?

Mr. SMITH of New Jersey. That is correct; under legislative act.

Mr. MANSFIELD. Is it not true also that at the present time hearings are being held by the Tariff Commission on cotton towels, velveteen, gingham, and pillow cases?

Mr. SMITH of New Jersey. I am so advised.

Mr. MANSFIELD. Is it not true also that the Tariff Commission, in the case of cotton towels, has raised the import duties from 10 percent to 40 percent, I believe, and that the increased rate was approved by the President? In addition, did not the Tariff Commission rescind previously granted concessions on cotton towels and was not that also approved by the President?

Mr. SMITH of New Jersey. I could not verify the percentage, but I am advised that the Tariff Commission was working on that problem and has made some recommendations which the President has approved.

Mr. MANSFIELD. Those recommendations were very satisfactory to the textile industry, as I understand. Is that correct?

Mr. SMITH of New Jersey. That is correct.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. KNOWLAND. I yield 1 additional minute on the bill to the Senator from New Jersey.

Mr. MANSFIELD. Is it not true also that so far as towels, blouses, velveteen, and pillowcases are concerned, at the present time, at the urgings of the Senate Committee on Foreign Relations and the Senate Committee on Finance, the Tariff Commission is doing everything within the limits of its appropriation and its personnel to bring this particular

matter to a head? Should we not face this serious problem squarely through appropriate legislation from the Finance Committee rather than indirectly through this measure? Would the Senator agree with the Senator from California [Mr. KNOWLAND] and the Senator from Montana that the way to correct this situation may well be through additional necessary legislation from the Finance Committee?

Mr. SMITH of New Jersey. I agree with the Senator's statement. It is a part of the suggestion I have just made, namely, that we arrange with Japan for a better spread over a larger area of textile imports to the United States.

Mr. MANSFIELD. The Senator from New Jersey said also that the amendment is different, in that the imposition of import quotas on cotton would be mandatory unless the President, on the recommendation of the Tariff Commission, canceled the import restrictions. As a matter of fact, does not the President have that power already?

Mr. SMITH of New Jersey. I believe he has; yes.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the distinguished Senator from Maine.

Mrs. SMITH of Maine. Mr. President, I hope that this amendment will be withdrawn because in all realism I do not think it is any more than a gesture and I fear that it will be defeated if pressed for a vote. I doubt the wisdom of trying to attach it to this bill and I fear that some Members who may sincerely believe that some real action should be taken to protect the textile industry will resent its being offered now and vote against it.

Should that happen the vote will be subject to misinterpretation and will in the long run harm the cause of the textile workers and industry and those of us who seek protective action for the workers and the industry.

I am tired of surveys and studies. I want action. I want protective quotas on imports of textiles. And I want that voted on in a clear manner rather than in a mixed-up manner now on this bill and only on a proposed study or survey.

Mr. President, I have been working for some time on this serious problem of the textile industry. I must confess that on the basis of my past experiences with Secretary of State Dulles and the Tariff Commission I do not have much hope that they will take any corrective action. Since 1954 I have been fighting this battle and their responses have certainly been negative.

So that Senators may be better informed on this negative reaction, I ask that there be printed in the Record at this point two letters which I wrote to the Secretary of State, and his answer. I am sure that a reading of the Secretary's answer will show that the adoption of the amendment will result in nothing but further delay in meeting the problem head-on, and that it can be a harmful gesture which will produce delay instead of constructive results.



There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
Washington, D. C., December 14, 1954.  
Hon. JOHN FOSTER DULLES,  
Secretary of State,  
Department of State,  
Washington, D. C.

MY DEAR MR. SECRETARY: Of considerable concern to the State of Maine and its people as well as the New England region, is the threat of a lowering of the tariff schedule on textile products. The adverse effect that it would have on the economy of our area is clear.

As has been pointed out to you, the largest single New England manufacturing industry is textiles—providing a payroll of 178,000 persons.

I have been advised that negotiations for tariff-rate changes, involving Japan and other nations are to be conducted in Geneva early next year and that the United States may offer concessions detrimental to the New England textile industry.

The objective of maximum trade between nations of the world is worthy. I have consistently supported the reciprocal trade agreements legislation. But we must not let our desires in that regard blind us to the inequities, both to textile workers and textile manufacturers of New England, that would result from any reduction of tariffs on textile products which would allow nations with lower wage and living standards than ours to invade the American market and cause unemployment and a loss to our regional economy.

It is one thing to help other nations of the world raise their living standards, but it is another thing to permit cheap foreign labor to undermine our own textile industry and thus take jobs away from textile workers and destroy the hard-earned investments of textile managements and investors with unemployment and the shutting down of textile plants.

The administration has a solemn duty to protect American workers and management from the cut-rate competition created by the lower wages and lower living standards of competing foreign nations.

In all sincerity and respect, I urge that you and your associates who make the decisions at Geneva keep this in mind.

Sincerely yours,

MARGARET CHASE SMITH,  
United States Senate.

NOVEMBER 21, 1955.

Hon. JOHN FOSTER DULLES,  
Secretary of State,  
Department of State,  
Washington, D. C.

MY DEAR MR. SECRETARY: It was almost a year ago on December 14, 1954, when I protested to you against the threat of a lowering of the tariff schedule on textile products. At that time, I pointed out that the largest single New England manufacturing industry is textiles, providing a payroll of 178,000 persons.

Ultimately protective measures were agreed upon by Congress and the State Department and the threat was lessened. Perhaps the action of the Japanese in restricting exports while the Reciprocal Trade Bill was being debated in Congress gave the impression that the threat was not as grave as it seemed at the time. But if that were the case, then all such illusions were dispelled when after the passage of the Reciprocal Trade Bill Japanese exports soared.

As I stated to you a year ago, the objective of maximum trade between nations of the world is worthy. I have consistently supported the Reciprocal Trade Agreements legislation. But, as I pointed out, we must not let our desires in that regard blind us to the inequities, both to textile workers and

textile manufacturers of New England, that would result from any reduction of tariffs on textile products which would allow nations with lower wage and living standards than ours to invade the American market and cause unemployment and a loss to our regional economy.

I want to emphasize again that it is one thing to help other nations of the world raise their living standards, but it is another thing to permit cheap foreign labor to undermine our own textile industry and thus take jobs away from textile workers and destroy the hard-earned investments of textile managements and investors with unemployment and the shutting down of textile plants.

The administration has a solemn duty to protect American workers and management from the cut-rate competition created by the lower wages and lower living standards of competing foreign nations.

I am not unmindful of the complexity of this problem—of the desire to help Japan become so strong economically that the danger of the Communists taking over that country would be removed. In fact, earlier this year I conferred in Tokyo with the then acting Foreign Minister of Japan on this subject. I assured him that our country wanted to be helpful on this point—but I warned him not to the point of literally exporting textile jobs and industry out of Maine to build up such industry in Japan, especially when Japanese labor received wages of only one-tenth or less of that which American labor received.

Our country has been more than generous to Japan, giving her the money to build an entirely new and modern textile industry of 7 billion spindles. The tariffs were then lowered, making it possible for 13½-cent-an-hour Japanese labor to flood our markets with textile merchandise.

The element of reciprocity seems to be absent, as Japan expresses its appreciation for the help we have thus given her by now buying their cotton in Brazil and Mexico.

These results lead me to the inescapable conclusion that in this Japanese textile matter our country must make a reappraisal of its policy, however agonizing that reappraisal may necessarily be, because of these facts:

1. The present policy is leading to the destruction of the New England textile industry;

2. It is forcing American labor to compete with cheap 13½-cent-an-hour Japanese labor;

3. And at that rate it is not helping Japan raise her living standards, but rather would only serve to lower our own, with the ultimate choice being that of either forcing our American economy back to a 13½-cent-an-hour standard or writing the textile industry off as expendable;

4. There is nothing reciprocal in this policy with Japan purchasing her cotton from other nations;

5. We must be mindful that our country has given Japan the money to build an entirely new and modern textile industry, when our own New England textile industry could well have used such United States financial assistance to modernize its mills;

6. While the threat of a nation going Communist because of economic weakness is serious, we must not let that be used as a perpetuated economic blackmail; and

7. While we want to help our foreign friends, even our once bitter enemies like Japan and Germany, let us use reason that invites respect from the recipient instead of blind, unlimited generosity that ultimately breeds contempt.

The time is overdue when we must stop the cutting of tariffs and the increasing of quotas on Japanese textile imports. I am sure that many of my colleagues in the Congress share these views and that in the next

session of Congress appropriate action will be sought.

In closing, let me say that while I expect to continue the past support that I have given to reciprocal trade, I will not do so in such extreme as to join those who seem to feel that the New England textile industry is expendable. To the contrary, I intend to fight not only for the survival of the New England textile industry, but for its full recovery and maximum expansion in which I have the greatest confidence, if its own Government will permit.

I would appreciate hearing from you on this matter at your earliest convenience.

Sincerely yours,

MARGARET CHASE SMITH,  
United States Senator.

DEAR SENATOR SMITH: I have read with much interest your letter of November 21, 1955, on the cotton textile situation. The problem you describe has been of concern to the Department and I have discussed the matter personally with leaders of the American textile industry.

I do not believe that there is any real difference between the administration's foreign trade program and the position that you state in your letter. You will recall that on February 17, 1955, the President wrote to Representative JOSEPH A. MARTIN in support of the renewal of the Trade Agreements Act. In this letter, the President said that no American industry will be placed in jeopardy by the administration of the act. This Department and the eight other departments and agencies of the Government that participate in the Trade Agreements Committee follow this policy. Furthermore, I have personally advised representatives of the Japanese Government that they should exercise restraint in their exports and not attempt to capture so much of the American market that an American industry will be injured.

The Japanese Government and textile industry are aware of the attitude of the domestic textile industry toward increased imports of cotton textiles. They appear to be genuinely engaged in an attempt to allay the fears of our domestic producers by devising controls on exports of textiles and finished goods to the United States. Reports from Tokyo indicate that apparently both quality standards and quantitative controls will be instituted. We are informed that until these controls have been worked out the Japanese Government will refuse to accept any further applications for the export of cotton textiles and finished goods to this country.

The legislation under which the trade agreements program operates has a number of safeguards for American industry. The Tariff Commission determines in advance of trade agreement negotiations the limit to which concessions may be made in the existing tariff structure without causing or threatening serious injury to a domestic industry. These so-called peril points were not breached in the 1955 concessions granted to Japan.

The domestic textile industry has complained that despite the fact that the peril points were not breached, the industry is being injured or threatened by imports of Japanese textiles. A further safeguard exists in the so-called escape clause of the Trade Agreements Act. Under this provision the domestic textile industry could request the Tariff Commission to conduct an investigation to determine whether, as a result of the concessions granted to Japan or to other countries, textile imports have increased to such a degree as to cause or threaten serious injury to the domestic industry. It may be that certain sectors of the domestic textile industry may require relief from imports. If such is the case this provision offers the industry the avenue through which to get relief. Under the provisions of Senate Resolution 121 of the last session of



Congress, the Tariff Commission was directed to keep itself currently informed on the effect of textile imports on the domestic industry so that it may act promptly on an escape clause action.

The Department has explained these procedures to the textile industry. The industry appears reluctant, however, to apply for relief under the escape clause. Considering that the peril points were not breached in the concessions granted to Japan, that the reduced tariff rates have been in effect only 10 weeks, and that the industry has been reluctant to request an escape-clause investigation, this Department has no basis on which to concur in the industry's claims that it is being injured or threatened by Japanese textile imports. Our difficulty is enhanced by the fact that although textile imports have increased over 1954 levels, cotton-cloth imports during the first 8 months of this year were at an annual rate of only slightly more than 1 percent of our domestic cotton-cloth production and less than one-fifth the level of our own cotton-cloth exports. Furthermore, there is every indication from press reports that the domestic textile industry in general is operating at a high level of activity, with the output of many mills sold ahead as far as the spring of 1956.

You refer in your letter to Congress taking appropriate action at its next session presumably to curb imports of Japanese cotton textiles. The Department is aware of legislation (S. 2702) sponsored by more than 60 Senators at the last session to accomplish this purpose. I consider legislation to establish import quotas on Japanese textiles would be most unfortunate.

Such action would strike a serious blow at the administration's foreign-trade program which the President has worked so hard to establish over the last 3 years. It would serve to restrict trade at a time when the free world must depend for so much of its strength on the expansion of trade and the economic viability of countries such as Japan. Only economically strong countries can share with the United States the mutual-defense burden of the free world.

The United States does not have in effect today a single import quota on manufactured products. We are continually using this fact in negotiations with other governments in our efforts to get them to liberalize their own trade restrictions to admit more American goods into their countries. Significant progress has been made in this direction. But the opportunity for further progress would be seriously diminished by congressional action establishing import quotas on textiles. In fact, such restrictive action on our part might prompt other governments similarly to increase restrictions on imports from Japan.

Such action would be unfortunate as well in view of Japan's efforts to establish a policy of restraint on her textile exports to the United States, particularly in view of the reluctance of the American textile industry to request an escape-clause investigation that would determine the nature of the injury caused or threatened to the domestic textile industry.

Finally, I believe such action would be unfortunate because of its effects on the ability of this country to sell goods to Japan. We want Japan to be able to buy our surpluses of cotton, wheat, and rice, and our coal and petroleum because these goods are essential to Japan's economic stability and her national security and because American producers of these goods look upon Japan as a good market. It should be noted that Japan is the largest importer of American raw cotton, taking 653,000 bales during the 1954-1955 cotton season, or nearly 20 percent of our total raw-cotton exports. Japan cannot be expected to maintain a high level of imports from the United States

if we restrict her exports to us to a low level. In 1954, Japan exported \$276 million worth of goods to the United States and imported \$677 million, leaving a net import deficit of \$400 million. This gap was filled by the expenditures of our military forces in Japan, but such expenditures are declining as a result of the redeployment of our forces in the Far East and diminishing off-shore procurement. Instead of restricting her exports to the United States Japan is faced with the problem of increasing her dollar earnings to bridge its dollar gap or eventually her imports from the United States will decline.

I know that the many and complex factors bearing on the problem which I have attempted to outline will be considered carefully by you and your colleagues in the Congress.

Mr. KNOWLAND. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. LEHMAN. Mr. President, if the amendment provided for discretion to be given the President, I would support it. I think it would be a proper procedure, and probably a useful one. However, the amendment does not provide for discretion on the part of the President. It is mandatory. I believe that if the Senate, by a mandate to the President or otherwise, were to set import quotas or tariff schedules, it would be an exceedingly dangerous course to follow. It would be a great step backward. I do not believe that Congress is equipped to set quotas or to adopt tariff schedules. That would merely lead to confusion and logrolling. It would be detrimental to the orderly conduct of our Government's business. Therefore, I cannot support the amendment in its present mandatory form. May I say again however, that if it were discretion in character, I would support it.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield 1 minute on the bill to the Senator from Mississippi.

Mr. EASTLAND. Mr. President, I merely wish to correct a statement which was made, not by the Senator from New York, but by another Senator, to the effect that the duty on cotton towels was increased from 10 percent to 40 percent. The duty was increased on linen towels, not on cotton towels. I wanted the RECORD to be correct in that respect.

Mr. PAYNE. Mr. President, will the Senator from South Carolina yield 2 minutes to me?

Mr. JOHNSTON of South Carolina. I yield 2 minutes to the Senator from Maine.

Mr. PAYNE. Mr. President, I wish to clear up one point. This is not a study proposal at all. It gives authority, under section 22 of the Agricultural Act, to the Secretary of Agriculture to impose import quotas when damage is in the offing. It offers immediate protection and is, in effect, exactly the same as a case in which one engaged in an industry who feels he is suffering damages because of the act of someone else obtains an injunction. The injunction is put into effect so that further damage will not be done until the study and all the other

factors are known by the court, so that a decision is finally rendered, and either the injunction is lifted or action is taken on a positive basis.

So, I think it should be specifically clear as to what this particular amendment proposes. It offers immediate relief if the industry is suffering injury.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSTON of South Carolina. Mr. President, I yield 1 minute to the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. President, I believe all of us recognize that we owe some responsibility to the economy of Japan. We do not want her to have to trade with Communist countries. On the other hand, it appears to me that it is not fair to require that one depressed industry should have to bear the complete weight of our Foreign Relations program, particularly an industry which is already in great distress, with factories closing and workers losing their jobs every week.

As I understand the amendment offered by the Senator from South Carolina, all it does is to give to the Secretary of Agriculture the authority to impose a quota on the basis that importations could not exceed the amount which had been coming into the United States during the period of the past 3 years. It would seem to me that Japan has done very well in the past 3 years. The textile industry in Japan has been receiving a 12 percent profit on the operation. Certainly, no one could say Japan would be hurt by such an amendment as this. In the United States the textile industry is realizing a profit of a little less than 2 percent.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. JOHNSTON of South Carolina. I yield 1 more minute to the Senator from Florida.

Mr. SMATHERS. Mr. President, it seems to me that this is a fair and reasonable amendment which would give immediate relief to an industry in the United States which needs relief, and while giving relief, it would do no real harm to Japan, because Japan has been progressing very well during the past 3 years. So, Mr. President, it seems to me that the Senate would be well advised to adopt the amendment.

The PRESIDING OFFICER. The Senator from California has 4½ minutes remaining.

Mr. KNOWLAND. Mr. President, I am prepared to yield back the remainder of the time. This amendment, for the reasons stated with reference to the prior amendment, is just as objectionable as was that amendment.

So far as the statement by the Senator from Maine [Mr. PAYNE] is concerned, I say again, that there is certainly a problem in the textile industry, but I do not believe this amendment to this bill is the proper way to meet that problem. I should be prepared to consider legislation amending the Reciprocal Trade Act. If we do not now have on the statute books an adequate act to protect American industry, labor, and agriculture, I should be prepared to join with others in supporting such an amendment.



I am very hopeful that the real problem facing the textile industry will be recognized and that the President will very promptly act to give equitable protection to American industry in this case and in other similar cases. If we cannot secure protection in that way, I would be prepared to join in amending the statute.

Mr. ROBERTSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. ROBERTSON. Is it not a fact that a gentlemen's agreement was entered into with Japan which was satisfactory to Japan and satisfactory to our textile interests, and does the Senator know of any reason why the State Department should not operate in that field again?

Mr. KNOWLAND. I heard the discussion which was carried on by the Senator from Montana and other Senators, and I think, pending action by the Tariff Commission and the President, steps can be taken to give protection to the American textile industry.

Mr. ROBERTSON. The American textile industry was represented at that time by Dr. Murchison, in the State Department. It is a matter which the State Department should consider.

Mr. KNOWLAND. I fully agree with the Senator.

Mr. SPARKMAN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. SPARKMAN. I appreciate the statement which the Senator from California has just made, and I agree that something can be done. The Senator knows that representatives of the departments were before our committee, and they made some pretty straight promises.

Mr. KNOWLAND. Representatives of the Department of Commerce, the Department of Agriculture, and the State Department.

Mr. SPARKMAN. That is correct. But here is a disturbing thing about it: In the Wall Street Journal of today the Secretary of Agriculture is quoted as saying that he does not contemplate any action being taken by the Department of Agriculture to correct this situation, or, at least, to do the thing which we were given to understand was actually being worked out. If they would do the things they told us in the committee they would do, and do them expeditiously, we could abide the situation. But why did the Secretary of Agriculture make the statement which he made yesterday?

Mr. KNOWLAND. I will say to the Senator I have not seen that statement. I sat in the Committee on Foreign Relations with the Senator from Alabama and other Senators and heard the statements which were made. I took them at full faith, and as the minority leader, I expected those who made the statements to proceed as they indicated they would proceed, and I shall be the first to join with the Senator from Alabama and other Senators if there is any indication that they are not going to proceed in the way indicated.

Mr. SPARKMAN. I commend the Senator, because I know he keeps his promises.

I wonder if the Senator will yield long enough for me to invite attention to the article written in the Wall Street Journal.

Mr. KNOWLAND. I yield 1 minute on the bill. If the Senator will let me have the article, I shall see that the matter is taken up this afternoon.

Mr. SPARKMAN. Here is the headline, which is found on page 15 of the Wall Street Journal:

Benson "Doubts" He Will Seek Curbs On Cotton Goods Imports.

Here is what he said in his news conference yesterday—

Mr. KNOWLAND. I find that many persons get into trouble in news conferences.

Mr. President, has all time expired?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. SPARKMAN subsequently said: Mr. President, I ask unanimous consent to have placed in the CONGRESSIONAL RECORD, at the point where I made some remarks on the subject this afternoon, an article entitled "Benson 'Doubts' He Will Seek Curb on Cotton Goods Imports," published in the Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BENSON DOUBTS HE WILL SEEK CURB ON COTTON GOODS IMPORTS—PLAN TO SUBSIDIZE TEXTILE EXPORTS IS ADEQUATE AID FOR INDUSTRY, FARM CHIEF SAYS

WASHINGTON.—Agriculture Secretary Benson said he doubts very much his Department will ask for restrictions on cotton textile imports.

He told a press conference he believed the Department's plan to subsidize exports of cotton goods will be all that is needed to help the textile industry.

Mr. Benson was asked about conflicting statements he has made recently as to whether the Government should restrict imports to help the hard-pressed cotton textile makers. At his last press conference, Mr. Benson had said he believed some action by the Government was warranted. The next day, however, he issued a statement saying practically the opposite.

At his meeting with reporters yesterday, the farm chief said perhaps he went too far before. He didn't intend to give the impression the Agriculture Department was contemplating any import restrictions, he said, but his agency is continuing to watch the situation.

#### COMPLAIN ABOUT JAPANESE IMPORTS

Cotton textile producers are complaining about the rising volume of Japanese goods coming into the United States at low prices. They argue, furthermore, that the Government's plan for selling surplus cotton abroad at cut-rate prices will make it even easier for foreign producers to take away American markets from the domestic industry. The textile men are urging the Agriculture Department to recommend import restrictions as necessary to protect the Government's price-support program. Elsewhere in Washington, the textile producers also are urging Congress, the Tariff Commission, and the State Department to push for import restrictions.

The farm chief announced his Department is going to start studies of the effect of dairy price supports on consumption and production; how the whole party concept is working and what, if anything, can be done to step up consumption of livestock products.

Mr. Benson said his Department will report on these subjects when its Agricultural

Advisory Commission, made up of non-Government farm experts, meets again in September.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Do I correctly understand that the yeas and nays have been ordered on the Johnston amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON] for himself and other Senators to the committee amendment.

All time having expired, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. DANIEL], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from West Virginia [Mr. LAIRD] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Texas [Mr. DANIEL] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Texas would vote "Yea" and the Senator from Tennessee would vote "Nay."

I further announce that if present and voting, the Senator from New Mexico [CHAVEZ] and the Senators from West Virginia [Mr. LAIRD and Mr. NEELY] would each vote "Yea."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The result was announced—yeas 36, nays 52, as follows:

#### YEAS—36

Bible	Humphreys,	Payne
Bricker	Ky.	Purtell
Bridges	Ives	Russell
Bush	Johnston, S. C.	Saltonstall
Clements	Kennedy	Scott
Cotton	Kerr	Smathers
Eastland	Malone	Sparkman
Ervin	McCarthy	Stennis
Frear	McClellan	Welker
George	Millikin	Wofford
Goldwater	Morse	Young
Green	O'Mahoney	
Hill	Pastore	

#### NAYS—52

Aiken	Bennett	Curtis
Allott	Butler	Dirksen
Anderson	Byrd	Douglas
Barrett	Carlson	Duff
Beall	Case, N. J.	Dworshak
Bender	Case, S. Dak.	Ellender



Flanders	Knowland	Murray
Fulbright	Kuchel	Neuberger
Gore	Langer	Potter
Hayden	Lehman	Robertson
Hennings	Long	Schoeppel
Hickenlooper	Magnuson	Smith, Maine
Holland	Mansfield	Smith, N. J.
Hruska	Martin, Iowa	Symington
Humphrey,	Martin, Pa.	Thye
Minn.	McNamara	Watkins
Jackson	Monroney	Williams
Johnson, Tex.	Mundt	

## NOT VOTING—8

Capehart	Jenner	Neely
Chavez	Kefauver	Wiley
Daniel	Laird	

So the amendment offered by Mr. JOHNSTON of South Carolina (for himself and other Senators) to the committee amendment was rejected.

## ORDER FOR ADJOURNMENT TO FRIDAY

Mr. McCARTHY obtained the floor.

Mr. JOHNSON of Texas. Mr. President, I wonder if the Senator will yield to me for a unanimous-consent request?

Mr. McCARTHY. I shall be glad to do so. I hope it will not be taken from my time.

Mr. JOHNSON of Texas. It will only take 30 seconds. I shall yield time to the Senator if he needs it.

Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

## CALL OF THE CALENDAR ON MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the completion of morning business on Monday there be a call of the unobjected to measures on the calendar beginning at the point where the last calendar call concluded. In addition, pursuant to orders entered at the last calendar call, there will be included in the call on Monday Calendar No. 2232, S. 2691, and Calendar No. 2249, H. R. 6888.

The PRESIDING OFFICER. Without objection, it is so ordered.

## MUTUAL SECURITY ACT OF 1956

The Senate resumed the consideration of the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Wisconsin yield to me again for a moment?

Mr. McCARTHY. I yield.

Mr. JOHNSON of Texas. Mr. President, there are 16 amendments at the desk. It is the plan of the leadership to have the Senate remain in session until at least 10 o'clock this evening. I make that announcement so that Senators may be on notice that votes will be taken throughout the evening. I thank the Senator from Wisconsin for yielding to me.

Mr. McCARTHY. I send to the desk an amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated, for the information of the Senate.

The LEGISLATIVE CLERK. On page 29, line 17, it is proposed to strike out the words "expiration of ninety days following the".

On page 29, line 18, beginning with the comma, it is proposed to strike down through the word "Act" in line 25.

Mr. McCARTHY. Did the Senator from New Hampshire desire me to yield to him?

Mr. BRIDGES. Mr. President, if the Senator from Wisconsin will yield, I send to the desk an amendment, and ask to have it printed and lie on the table.

The PRESIDING OFFICER. The amendment proposed by the Senator from New Hampshire [Mr. BRIDGES] will be received and printed, and will lie on the table.

The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] to the committee amendment.

Mr. McCARTHY. Mr. President, the amendment which I have sent to the desk—

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. McCARTHY. I shall yield to myself all of the time allotted to me, unless some other Senator wants a part of that time, in which event I shall relinquish some of my time.

Mr. President, very simply stated, this amendment provides that no aid shall be given to Yugoslavia under the Mutual Assistance Act. That includes cutting off funds of \$30 million which have not been committed and which are now available to Yugoslavia.

Mr. President, yesterday on this floor, the distinguished senior Senator from New Hampshire [Mr. BRIDGES] delivered a moving and eloquent address on "The Moral Crisis in American Foreign Policy." The Senator from New Hampshire said:

In the conduct of our foreign affairs, I am driven to conclude we have lost the compass of moral principle. More and more we operate in gray areas. Somewhere between good and evil. \* \* \* If the present drift to cynical grayness, where once we knew the difference between black and white, is not arrested and reversed, we shall lose our ability to defend ourselves.

This afternoon, I desire to discuss a situation that illustrates the Senator's thesis. There is no more vivid way of portraying the amoral character of our foreign policy than by a sober and dispassionate consideration of our policy toward Communist Yugoslavia.

But moral issues are not the only ones involved here. A policy of constructing the military machine and subsidizing the economy of a Communist dictatorship that has declared itself to be an implacable foe of our way of life is, to be sure, an outrage against the most fundamental concepts of right and wrong, but beyond that, it presents a grave threat to the security of the United States.

In the past 5 years the United States has poured into Communist Yugoslavia \$946 million in military and economic

assistance. We have rationalized that policy of subsidizing Communist tyranny by telling ourselves that there was a chance that this particular Communist nation could be permanently separated from the power bloc dominated by the Soviet Union. Let us assume, for purposes of the argument, that our past policy was justified as a matter of hard-headed power politics. The point I make today is that that rationalization is no longer available to us. And since it is no longer available to us, continuation of aid to Yugoslavia is a crime against morality.

There is, of course, always the strongest kind of presumption—based on our knowledge of Communist teaching and Communist practice—that two Communist nations will fight on the same side in the battle between Communism and freedom. This means that in order to responsibly pursue the hope that two Communist nations—such as Yugoslavia and Russia—will not end up side by side, we must have positive and cogent evidence that those two countries present an exception to the rule.

I contend that every item of evidence available to us points directly the other way; every item of evidence suggests that those two nations, Communist Russia and Communist Yugoslavia, mean to stand side by side to the very end, and that, as Zhukov said, "If war ever comes, Yugoslavia and Russia will be found fighting on the same side."

I invite any member of this body to bring to the Senate's attention a single item of evidence that suggests the contrary. And if such evidence is forthcoming, I hold that voting further aid for Yugoslavia is absolutely incompatible with our solemn duty as United States Senators to look after the safety and welfare of our country.

Mr. President, what is the evidence that supports the presumption that these two Communist nations are like any other Communist nations—that they are hellbent for world revolution, and mean to work together toward the Communist objective of conquering the world?

In 1948, Marshal Tito withdrew from the Comintern and entered into a period of strained relations with the Soviet Union. I shall assume, for the purposes of this debate, that a genuine quarrel ensued, although I am not convinced that it may not have been fundamentally a hoax to deceive the West. The reason for this alleged quarrel—as both the Yugoslavs and Russians have told us a thousand times since—was that Tito disagreed with Stalin as to the best method of promoting world communism. Tito at no time denied that he was a Communist; at no time did he deny that Communist domination of the world was his objective as well as Stalin's; at no time did Tito's government deviate from the principal tenets of what is known as Marxism-Leninism. Therefore, from the very nature of things—from the very nature of the quarrel as defined by the participants—the breach between Tito and the Kremlin was one that could be healed. It could and it would be healed when the two dictatorships once again agreed on the best method of promoting the world Com-



munist revolution. Concretely, it could and would be healed when the Soviet Union agreed to permit other Communist nations a certain amount of autonomy in the conduct of their internal affairs.

Mr. President, I yielded myself 30 minutes. Inasmuch as I understand that other Senators wish to speak, I shall change that, and shall yield myself only 25 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin may proceed accordingly.

Mr. McCARTHY. But, Mr. President, we must be very clear about this: The issue between Tito and Stalin was not whether governments should be Communist governments; it was not whether they should be despotic governments; it was not whether they should be governments dedicated to the overthrow of Western civilization. On all of these things they were in agreement. The point of disagreement—and I think I am not guilty of oversimplification—was whether Yugoslavia's Government should be controlled by Yugoslav Communists or from the Kremlin, as is the case in other satellite nations.

After the death of Stalin in the spring of 1953, the Soviet Union began a campaign to persuade Tito that the Kremlin had come around to Tito's position on the question that allegedly separated the two governments. Whether the Soviet Union has really changed its views about having indigenous Communists run the internal affairs of a Communist country is quite beside the point. The point is that Tito has taken up the Kremlin's overtures and has declared that he is now satisfied that whatever separated the two countries is something of the past.

The rapprochement between Russia and Yugoslavia has been underway, as I have said, since 1953. The preparations for the final joining of hands were made last spring, when Khrushchev and Bulganin visited Belgrade. The alliance was finally sealed 3 weeks ago, when Tito made a state visit to Moscow.

What Tito said on his arrival in Moscow was well publicized; but in the light of our Government's position that we must continue aid to Yugoslavia, I can only conclude that a vast number of people, at least in the executive branch of our Government, did not read the newspapers. Therefore, it will be well to set down here, for the record, Tito's formal declaration of an alliance with the Soviet Union. Mr. President, I doubt that the case for cutting off American aid to Yugoslavia could be put more forcefully or more compellingly than Marshal Tito put it on that occasion.

Referring to the temporary break between Russia and Yugoslavia, Tito said:

We were greatly pained, but we believed that the time would come when everything separating us would be overcome and when our friendship would receive a new and still more firm foundation. This time has come, thanks to the Leninist policy of the Government and the Central Committee of the Communist Party of the Soviet Union.

The arrival of Comrades Khrushchev, Bulganin, Mikoyan and others in Belgrade, the talks with them, the declaration which was drawn up on that occasion, and afterward the courageous and farsighted foreign policy

of the collective leadership of the Soviet Union are, in my profound conviction, a guarantee that nothing of the kind will ever happen again—

Mr. President, I call particular attention to this—

between the two countries marching along the path of Marx, Engels and Lenin.

And at the end of his speech, Tito cried:

Long live the Soviet Union. Long live the friendship between the peoples of the Soviet Union and Yugoslavia.

Mr. President, I think that two statements made by Tito are especially significant; I refer to his statement that the Leninist policy of the Soviet Union was one of the things which healed the breach, and his statement that both Soviet Russia and Yugoslavia are "marching along the path of Marx, Engels, and Lenin."

Mr. President, during my years of investigation of the Communist conspiracy, I have found that, unfortunately, a vast number of persons—including a sizable number of Senators, unfortunately—do not fully understand what is meant by Marxism-Leninism. For the RECORD, I should like to state, once and for all, a brief history of that matter.

In 1848, Karl Marx wrote the Communist manifesto. At that time, of course, he said the whole world had to be communized. But he said that in England and in the United States a different situation existed; he said there it would be possible for them to communize without the necessity of having a bloody revolution, but that in the rest of the world there would have to be such a revolution. That was in 1848.

In 1914, Lenin revised the Communist manifesto. At that time Lenin said, in effect, that Marx was correct as to the situation in 1848, but that times had changed, and that it would be necessary to have a revolution in both England and in the United States. So that is what is meant by Marxism-Leninism. It is Marx's manifesto, corrected by Lenin, when he said there must be a bloody revolution in the United States.

In 1947 Stalin reaffirmed Leninism; and Tito did so on June 2. So when Tito says that it is the Leninism of the Soviet Republic that caused them to get together and go marching along the path of Lenin, he knows what it means. One of the things he was saying—and he knows what Leninism is—is, "I believe in Leninism," which advocates a bloody revolution in the United States and in England.

Mr. President, may I ask how much time I have left?

The PRESIDING OFFICER. The Senator has used 15 minutes.

EXPLAIN MARXISM-LENINISM

Mr. McCARTHY. Mr. President, when Tito proclaims that Russia and Yugoslavia are now marching together "along the path of Marx, Engels and Lenin", he is proclaiming that Russia and Yugoslavia are marching together toward their joint goal of destroying the United States. No one today can deny that the "path of Marx, Engels and Lenin" is a path that leads to Com-

munist conquest of the world and the overthrow of our free, capitalistic society. This is freely conceded even by the Soviet leaders who are peddling the current Communist coexistence line. Even the most conciliatory remarks in recent months by Khrushchev and Bulganin have included a reminder that, whether by forcible revolution or otherwise, the Communists mean to rule the world.

But putting aside Communist coexistence propaganda, I would point out again that a cardinal principle of Leninism—which Tito professes to be following—is that the Communist world must bring about a bloody revolution in the United States.

So much for what Tito says are the intentions of the Yugoslav Government. In the area of action, everything Tito's Government has done fully corroborates what he says Yugoslavia intends to do. Yugoslavian foreign policy, as Tito himself boasted in Moscow, has consistently supported the Soviet Union on every point on which the Soviet Union and the free world are in disagreement. The Senate is well aware, for example, of the efforts of Tito to scuttle our defense system during his recent trip to the Far East.

Our policy of aiding Yugoslavia in hopes of making Tito an ally of the West has been a catastrophic failure. Our aid has been bestowed in great abundance in the past and our reward has been the emergence of a firm, unequivocal alliance between Yugoslavia and Soviet Russia.

Mr. President, I wish now to turn to the arguments put forth by those who believe that the aid to Yugoslavia should be continued. But before doing so, I shall call to the Senate's attention a disturbing chronology of events.

On Saturday, June 2, Communist Yugoslavia made its definite declaration of solidarity with Communist Russia.

On Tuesday, June 5, I introduced S. 4001 calling for the immediate cessation of previously appropriated aid to Yugoslavia.

On Wednesday, June 6, Marshal Tito stated in Moscow that he thought the McCarthy bill was unimportant. The question of whether this statement was only bravado, or reflected the smug confidence of a man who had somehow been assured, perhaps by the American State Department, that the United States Government had no intention of cutting off Yugoslav aid, I leave for the Senate to decide.

On the same day, June 6, President Eisenhower in his news conference stated that our Yugoslav policy would have to be reevaluated.

Two days later, on June 8, the President was stricken with his current affliction and taken to the hospital.

Let me say in passing that I certainly hope the President will recover fully in the very near future.

Then, finally, on June 13 the Secretary of State wrote a letter to the Committee on Foreign Relations explaining why the State Department "vigorously opposed" cutting off aid to Yugoslavia. This letter is, in every possible sense, an astounding document and I shall refer



to it in some detail in a moment. But the thing about the letter I want to mention now is that it nowhere even remotely suggests that our policy has undergone the "reevaluation" which the President promised. It is clear on the face of the letter that United States policy has not been reconsidered in the light of Marshal Tito's statement; the argument Mr. Dulles gives for supporting continued aid to Yugoslavia, as he says, is the result of a study of United States policy toward Yugoslavia that took place "within the past 6 months."

I think it is important for the Senate to know that the administration's views, as expressed by the Secretary of State and others, do not represent a fresh appraisal of the situation. And this, despite the fact that the President thought our policy should be "reevaluated." The minority leader of the Senate [Mr. KNOWLAND] said he believed the policy should be re-evaluated; the head of the Republican policy committee [Mr. BRIDGES] said the same thing, as have many others. One of the questions that concerns me is why this promised "reevaluation" was evidently called off by the State Department after the President was stricken and unable personally to enforce his declared policies.

Mr. McCARTHY. Mr. President, my time will run out before I can complete this prepared statement. I ask unanimous consent that I may skip portions of it, and that it may be printed in the RECORD in toto, as though delivered on the floor.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The Chair must inform the Senator that unanimous consent cannot be granted.

Mr. McCARTHY. Be that as it may, let us now consider what the administration has told us about its reasons for continuing aid to Yugoslavia. The long and the short of the administration's position is, as Secretary Dulles put it to the Foreign Relations Committee the other day, that we must not "drive the Yugoslavs into the Russian camp." This is regarded as one of the most extraordinary statements ever uttered by a responsible Government official. Such a statement blithely ignores what Tito said in Moscow this last month and what he has been doing this last year, and treats his acts and statements as though they never occurred.

What sense does it make to say that we must not drive Tito into the Russian camp when all of the evidence tells us that Tito is already as far into the Russian camp as he can get?

These arguments of Mr. Dulles were unusual, but the same argument was expressed by Secretary of Defense Wilson before an executive session of the Appropriations Committee. I hasten to add that ordinarily, of course, I would not refer in public to executive session testimony. However, in this case Secretary Wilson released to the press an alleged copy of his remarks before this executive session. Therefore I believe he waived any right to have what he actually said held in confidence.

I might say that when they testified, neither Mr. Dulles nor Mr. Hollister re-

leased a prepared statement; therefore I do not feel at liberty to discuss the testimony which they gave before the Appropriations Committee. I assure the Senate that there is nothing in the 2 or 3 paragraphs I am going to quote that in any way affects our security. It is not security information at all; it is simply an opinion of Mr. Wilson's. Still, I think it is terribly important that the American people know what the opinions of our Secretary of Defense are with respect to the Yugoslav controversy. I am sure they will be as shocked as I was on learning about the kind of thinking upon which some of our major foreign policy decisions are predicated.

I asked Mr. Wilson this:

Mr. Secretary, do you favor military aid to Yugoslavia?

Here is Secretary Wilson's answer:

The Yugoslavia situation is a very delicate one. The amount of aid to Yugoslavia is being reduced. The break of Tito with the Communist group in Moscow was an important thing. There is a difference of opinion about what is going to finally come out of it, whether he is going to go back with the Moscow business or not. We have made quite a big bet that he was not. I do not think that we should call the game right now. I think we ought to study it very carefully, which is being done.

Mind you, Mr. President, this statement was made only last week. Mr. Wilson says that there is a difference of opinion about whether Tito "is going to go back with the Moscow business." I wonder if the Secretary of Defense reads the newspapers. I wonder if he has read the accounts of Marshal Tito's statement in Moscow when he said, referring to the 1948 split between Russia and Yugoslavia, that—

Nothing of the kind will ever happen again between the two countries marching along the path of Marx, Engels, and Lenin \* \* \* Long live the Soviet Union. Long live the friendship between the peoples of the Soviet Union and Yugoslavia.

I wonder when Mr. Wilson will find out that Tito has already gone back to the "Moscow business"—and that he has done it with a deliberate propaganda flourish that is frighteningly informative to all but those who bury their heads in the sand.

We have indeed, as Mr. Wilson says, made "quite a big bet that Tito will not go back to Moscow." Unfortunately, this was a bad bet. Why, Mr. President, should we go on throwing good money after bad?

The remainder of Secretary Wilson's answer to my question is even more astounding:

It is quite important and very important from my point of view if the Communist business did break down so that it was not all dominated out of Moscow and [so that] the different countries did the best they could with their own people in their type of government, whether it is socialistic or capitalistic in our terms, or whether temporarily they run some kind of a Communist regime. We cannot exactly try to police the whole world, and to some degree we have to put up with what they do. Some of them are very delicate and difficult positions and getting out of the old colonialism of the past into some new and proper, from our point of view, type of society, somewhat on our pattern.

In effect, Mr. President, Secretary Wilson is telling us that we should not discriminate in our foreign aid program against Communist nations.

It is absolutely incomprehensible to me, Mr. President, how Mr. Wilson—in the teeth of everything we know about the world Communist movement, and in the teeth of all of the publicly recorded evidence concerning Tito's conduct—can imply that there is a reasonable chance that Tito's government may evolve into a government "somewhat on our pattern."

I can only conclude, Mr. President, that the reasons the administration gives for its Yugoslav policy are even more fantastic than the policy itself.

Let me now turn to the letter Mr. Dulles sent to the Foreign Relations Committee, which purports to explain the administration's position in more detail.

After conceding that there are "tendencies in Yugoslavia toward rapprochement with the Soviet Union," Mr. Dulles states that—

None of this obscures the fact \* \* \* that decisions on Yugoslav Government problems and policies are being made in Belgrade and not in Moscow. To be sure, many of these decisions in the foreign policy field do not correspond with our own. \* \* \* Yet there has been no credible evidence that President Tito wishes or is ever going to enter into a subservient status vis-a-vis of the Soviet Union.

Let us assume that this opinion of Mr. Dulles is correct. Let us assume that he is right that Yugoslavia is not a satellite of our enemy, but merely an ally of our enemy. Does this strike the Members of this body as a good reason for building up the economy and the military machine of Yugoslavia?

Precisely the same argument could have been made during the Second World War in favor of giving American aid to Japan on the grounds that Japan, though allied with Nazi Germany, was not subservient to Nazi Germany. But anyone who would have made such a statement at that time would have been hooted out of town; and if the Secretary of State had made it, he would have, I trust, been summarily dismissed from his office.

What is the difference between that case and the one confronting us today? Surely everyone recognizes that we are in a war situation with the Communist world today. How can our Secretary of State recommend that we give financial assistance to one of our enemies? The war is a cold war today; but in all of the crucial diplomatic battles, Yugoslavia is allied with the Soviet Union. And if the war should become a hot one, we have it on the word of Marshall Zhukov that the Soviet Union will march shoulder to shoulder with Yugoslavia. I am sure that if American boys ever fall victims to Yugoslav bullets, they will not be able to derive much consolation from the fact that the bullets were fired by a Soviet ally instead of by a Soviet satellite.

To be sure, there is always the possibility that Yugoslavia will renounce its present alliance with the Soviet Union before a hot war begins. But it is also possible that Communist Poland will break off from Moscow, even as Tito



once did. Does this mean that we should start sending military supplies to Communist Poland? It is also theoretically possible that Russia herself will overthrow the Communist tyranny. But does this mean that we should begin sending military supplies to the Soviet government? The point here is that we cannot base our foreign policy on an extremely remote possibility. We have every reason to expect that Yugoslavia will be an enemy of the United States for as long as we can see into the future. No responsible statesman can, under those circumstances, advocate that we build up Yugoslavia's military might.

Let me now go on to the next sentence of this incredible letter by Mr. Dulles. He states that "without the alternative availability of American assistance," dire economic necessity may force Tito to become overly dependent on the U. S. S. R. Dulles goes on to say that "the Yugoslav portion of the pending mutual-security legislation is designed to contribute toward preventing that situation from arising."

Now, why in the world, Mr. President, should we want to prevent that situation from arising? Will it be bad for the United States if Communist Yugoslavia faces dire economic necessity and is forced to become dependent on the Soviet Union? If Yugoslavia will face dire economic necessity as the result of cutting off American aid, so much the worse for Yugoslavia. If this makes Yugoslavia more dependent on Soviet Russia for economic assistance, so much the worse for Soviet Russia, which will then have to expand a greater portion of her economic wealth in order to keep Yugoslavia a going concern. Actually, the State Department is advocating that we indirectly help Communist Russia by taking the burden of Yugoslavia off her hands.

I sometimes think, Mr. President, that the State Department forgets whose side it is on. If Yugoslavia is politically committed to an alliance with the Soviet Union, as it is, what does the United States stand to lose by the fact that Yugoslavia becomes economically dependent on Russia? Over and over again State Department documents, such as Mr. Dulles' letter, give the impression that it is a great triumph for the United States that we are permitted to furnish financial assistance to a foreign country. It does not seem to much care how the funds are used; it is only interested in beating out any rival financier.

This same argument is stated even more blatantly and thus more absurdly in a letter addressed to the Chairman of the Foreign Relations Committee by the Director of the International Cooperation Administration, Mr. John B. Hollister:

If at this critical juncture—

Mr. Hollister argues—

the United States were to end these programs of assistance, Yugoslavia would be forced to seek further Soviet assistance, at whatever terms it could get, to meet urgent needs. Hollister goes on to say that "Despite some improvement made possible by United States assistance, the Yugoslav economy continues to be weak, particularly with respect

to food supplies. For these supplies, Yugoslavia will be dependent on essential sources for years to come. The Yugoslav Government would find it difficult to maintain an independent approach if forced to rely primarily on the Soviet bloc sources for essential food and raw material supplies.

Once again, Mr. President, who benefits if the Yugoslav economy continues to be weak—the free world or the Communist world? Who benefits if American dollars are used to make the Yugoslav economy strong—the free world or the Communist world? Who loses if the Soviet Union is forced to divert its own food and raw material supplies to Yugoslavia—the free world or the Communist world? And why, Mr. President, why do American officials continue to remind us that it will be difficult for Yugoslavia "to maintain an independent approach" without American aid—then the fact of the matter is that Yugoslavia's dictator has already publicly aligned his regime with the Soviet Union?

Finally, Mr. Hollister says that America's "substantial investment—in Yugoslavia—made over the past several years should not be lost for the want of continued assistance." All of this would be very well if it were not for the fact that we have already lost our "substantial investment." That happened when Marshal Tito turned his back on the West and embraced the Soviet Union. Both of these letters from the administration blithely ignore the event that occurred in Moscow on June 2, as though it had never occurred.

Let us weigh the Dulles-Hollister-Wilson argument by means of an analogy. The Republic of China, now exiled on Formosa, is probably as firmly allied to the United States as Yugoslavia is to Russia. Now is it conceivable that the Soviet leaders in the Kremlin would decide to send military equipment to Chiang Kai-shek on the grounds that Nationalist China would otherwise become "overly dependent" on the United States? Chiang probably would accept the aid—he, like Tito, needs all the guns he can get—but he would keep on being an ally of the United States. None of this, of course, is going to happen because the Russian leaders are not that stupid. But what perverse strain runs through our Government, Mr. President, that makes us so determined to build up our enemies?

The next argument Mr. Dulles employs to support his position is even more fantastic.

It is evident—

Mr. Dulles states—

that the state of United States-Yugoslav relations has important implications for eastern as well as western Europe.

So far so good. But then Mr. Dulles observes that—

It may well be useful for [the satellite countries] to know that the United States is holding to its record of assisting nations such as Yugoslavia which make efforts to assert and preserve their independence.

Dulles later elaborated on this thought and said that our policy toward Yugoslavia will teach the satellites that Titoism pays off and is thus our main weapon for disrupting the Communist empire.

May I suggest, Mr. President, that we will have taught the eastern European countries a slightly different lesson from the one Mr. Dulles describes? We will have taught them that a nation can declare itself to be an eternal ally of the Soviet Union and expect to receive as a reward millions of dollars annually in American aid. Indeed, it is not too improbable that the Soviet Union will direct all of the satellite countries to pretend that they are "independent," so as to qualify for American aid.

We might also consider, Mr. President, the effect of our continuing aid to Yugoslavia on the so-called "neutral" countries in southeast Asia. The State Department and the ICA repeatedly tell us that American aid to these areas is designed to prevent India, Burma, Indonesia, and the rest, from joining up with the Soviet bloc. If we continue aid to Yugoslavia we will have advertised the fact, as conspicuously as it is possible to advertise it, that joining up with the Soviet bloc is no hindrance to receiving American aid. How can we expect our foreign-aid program to keep the neutralists out of the enemy camp when we let it be known that American aid is available to friend and foe alike?

It is time, Mr. President, to inject some sense into our foreign policy, and a policy of building up the war machine of the avowed enemies of our way of life surely makes no sense. If the administration insists on pursuing such policies, then it is the duty of Congress to step in and restore sanity.

It is for this reason that I have introduced an amendment to the mutual security bill which will have the effect of preventing any of the funds authorized by the act from being given to Yugoslavia.

And let me add this, Mr. President: It is imperative that we infuse our foreign policy with some of the moral sternness called for yesterday by the distinguished Senator from New Hampshire. A policy of helping a Communist dictator subjugate millions of human beings is wrong—and no amount of rationalization can ever make it right. Let us prove to the world that we in America understand the difference between right and wrong and that we are determined to make our foreign policy reflect our moral values.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. McCARTHY. I yield myself 1 more minute.

Mr. President, I have learned that the very able Senator from New Hampshire [Mr. BRIDGES] has submitted an amendment which will accomplish the same purpose that my amendment would bring about. He has been working on this subject for a long time. I should dislike to have both amendments considered at the same time. I discussed the matter with the Senator from New Hampshire and I suggested to him and he has agreed that I withdraw my amendment and obtain unanimous consent to be a cosponsor with him of his amendment.

However, I do not wish, by withdrawing my amendment, to deny any Senator



who wishes to speak in opposition to the amendment time necessary to do so. Therefore I ask unanimous consent to withdraw my amendment, in favor of the amendment to be offered by the Senator from New Hampshire [Mr. BRIDGES], but that any Senator who is in opposition to my amendment, even though my amendment has been withdrawn, may have 30 minutes to speak in opposition to it.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The Senator from Wisconsin has the right to withdraw his amendment.

Mr. McCARTHY. Again, I do not wish to deny anyone the right to speak in opposition to the amendment.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I offer an amendment for myself and the Senator from Wisconsin [Mr. McCARTHY] and ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 29, beginning with the comma in line 18, it is proposed to strike out down through the word "act" in line 25.

Mr. McCARTHY. Mr. President, I yield the remainder of my time to the Senator from New Hampshire [Mr. BRIDGES].

Mr. GEORGE. Mr. President, I do not believe the Senator from Wisconsin can yield to another Senator his remaining time on an amendment which he has withdrawn.

The PRESIDING OFFICER. The Chair has recognized the Senator from New Hampshire in his own right.

Mr. HUMPHREY of Minnesota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY of Minnesota. Are we to understand that there will be 30 additional minutes on the pending amendment, which is offered in lieu of the amendment submitted by the Senator from Wisconsin, and that therefore there will be an hour of debate available in favor of the pending amendment?

The PRESIDING OFFICER. The amendment will be treated as a separate amendment.

Mr. HUMPHREY of Minnesota. Therefore there will be an additional 30 minutes available?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY of Minnesota. Does that mean that those who are in opposition to the amendment will have 1 hour to speak on it?

The PRESIDING OFFICER. The Senator is not correct. The amendment of the Senator from Wisconsin has been withdrawn. The amendment of the Senator from New Hampshire will be treated as a new and different amendment.

Mr. HUMPHREY of Minnesota. Mr. President, with the withdrawal of the amendment of the Senator from Wisconsin, there may be those of us who would like to express opposition to that particular amendment, on the basis of the time that was utilized in speaking in support of the amendment. In other

words, a total of an hour's time will be available on the amendment of the Senator from Wisconsin and on the amendment of the Senator from New Hampshire, but only a half hour will be available in opposition? Is that what we are to understand?

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Is it not correct to say that if the opponents of the amendment feel that they wish to speak for more than a half hour, they may move to strike out a part of the amendment and in that way gain additional time? Of course that would furnish additional time on the other side also. However, I do not believe they would be foreclosed from using such time as they would feel necessary to use in order to express their views.

Mr. McCARTHY. I may say that the Senator from Minnesota makes a very good point. For that reason I said that if any Senator wished to speak in opposition to my amendment, I would be glad to withhold the withdrawal of my amendment until such time as the opposition had used its half hour to speak in opposition to it. If the Senator from Minnesota desires time on my amendment, I shall be glad to ask unanimous consent to withhold the withdrawal of my amendment until after the Senator has spoken.

Mr. HUMPHREY. My inquiry is directed to the procedure. It is not my intention to utilize time in opposition to the amendment. I feel, however, that we may be establishing a practice under a unanimous-consent agreement which may alter the time schedule in an unfavorable manner.

The PRESIDING OFFICER. The Chair has ruled that the pending amendment is a different amendment. The delegation of time starts anew.

Mr. McCARTHY. I should like to ask one question of the Senator from Minnesota. Does he wish me to ask unanimous consent that I withdraw, so to speak, by withdrawal of my amendment so as to give Senators in opposition an opportunity to discuss the amendment? If he does, I shall be glad to ask such unanimous consent.

The PRESIDING OFFICER. The Chair states that the time for debate is under control. The Senator from Wisconsin will have to get unanimous consent to speak at this time.

Mr. HUMPHREY. The only purpose I had in making this inquiry was to establish the rules, so to speak, of the Senate, so far as they relate to this particular proceeding. I wished to be sure that we would not act on an amendment on a 2 to 1 basis so far as time was concerned. I understand that those who are in opposition to the amendment are not asking for additional time. I wish to make it crystal clear that if we are to proceed on a 2 to 1 basis, we may find it necessary to object to future unanimous-consent requests.

The PRESIDING OFFICER. The Chair wishes to state that any Senator may, without unanimous consent, with-

draw his amendment, if the Senate has taken no action on it. Then the Senate proceeds to the consideration of a new amendment. That is what was done in this case.

Mr. BRIDGES. Mr. President, I yield myself 5 minutes.

Mr. President, in offering the amendment I do so with the purpose of bringing to a close a sorry chapter in our program of foreign aid and our foreign policy. To those who wish to call our flirtation with Tito an experiment or a calculated risk, I say let us write it off as an experiment that did not pay off.

Let me review briefly the situation which has led up to the present state of affairs. After World War II, despite the well-documented evidence of the aid which Mihailovich and his followers had given to our downed flyers in Yugoslavia, we nevertheless supported Tito in the struggle for power in that country because it appeared to those making the policy decisions that he had the stronger following. We all know that the result was the liquidation of Mihailovich and many of his followers and the emergence of Tito and his completely Communist regime.

Tito's only claim to fame, and indeed his only claim to our foreign aid bounty, was the fact that for reasons best known to himself he appeared to defy the Kremlin line and followed his own independent course, Communist as it was. It was his bid for a place in the sun and we helped to build that place for him by making him the darling of our foreign policy. For the size of Tito's country and its military potential we were really lavish. We have given him approximately \$1 billion of aid of various types.

Mr. President, we have sent more than a billion dollars—that is a thousand million dollars—on various types of aid to Yugoslavia and Mr. Tito.

The justification for this was that he was the key by which we might unlock some of the other imprisoned satellite countries because they would be encouraged to likewise defy the Kremlin when they saw that he could do so with impunity. We also thought that regardless of his ideology we effectively controlled his military potential because it was equipped with our hardware.

Whatever small validity these justifications may have had in the past they certainly have none whatsoever today. Tito swaggered and blustered like a junior Hitler, junior Mussolini, and a junior Stalin, deliberately showing his neighbors in that part of the world that he could call the tune for us to dance any time he wanted to. Even though gobbling up all the aid that we would give him he deliberately refused to allow us the inspection of the end use of that aid, a course no one else dared to follow, and we let him get away with it until the Senate provision of last year, that any further aid would be based on his observance of all the terms as other nations did.

With his present demonstrated eagerness to jump into bed with Khrushchev and Bulganin and the pledges of undying comradeship and cooperation in every



sense that he has made to these two new Kremlin masters, it would seem that he at last came home to roost. Certainly those who use the argument that he was valuable to us because he defied the Kremlin must admit that he could now be equally valuable to the Kremlin for having defied us, particularly if we continue to bestow aid upon him in the light of his newly announced course.

I have contended for many years that our foreign aid program must be put on a more selective basis for the sake of greater security of the country and for the sake of lessened burden to our taxpayers. I am proud of the part I took toward that end in cutting aid to Yugoslavia last year and I shall be even more proud if this amendment that I have introduced passes today to the end that aid to Yugoslavia is discontinued.

Mr. President, this is not the first time I have called attention to the dangers in aid to Yugoslavia.

What have we got in exchange for the billion dollars we have given Tito? We have bolstered him up when Stalin tried to crush him. We equipped his army. I ask again, what did we get? I'll tell you what we got, we got a statement from Marshal Khrushchev that Tito, henceforth, would fight shoulder to shoulder with Russia. Tito was only too happy to confirm this. We get an official joint statement during Tito's visit to the Kremlin leaders that they will make a stubborn effort to see that Red China is admitted to the United Nations.

Are we supposed to forget that the United Nations voted Red China an aggressor in the Korean war and that that ban has never been revoked?

What further did we get for official statements, as a result of Tito's infamous honeymoon in the Kremlin.

We get an official statement that East and West Germany must be reunited, not in the democratic way by popular vote but by a negotiated deal presumably with the Kremlin calling the turn. We get an official statement that Formosa must be handed over to Red China.

America paid over a billion dollars to get that type of support from Tito.

If anyone can show me why we should give another cent to Tito I should like to have him do so.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. BRIDGES. Mr. President, I yield 1 more minute to myself. I want to say that no one has greater regard for President Eisenhower than I, he has shown himself a great leader of the American people and the Republican Party but that does not preclude me from performing my constitutional duty to debate this issue.

Mr. President, at this time I yield 5 minutes to the Senator from Louisiana [Mr. Long].

Mr. LONG. It appears to me that the item for Marshal Tito weakens the entire bill. We are asked to give approximately \$65 million in addition to the \$600 million in military equipment we have already given to him. The testimony on this point should have demonstrated that no one expects Tito to come

to our assistance if we should be attacked by Russia, nor that Tito would go to war with Russia if the Soviet Union should attack the nations in the North Atlantic Treaty Organization.

This \$800 million program for Tito is apparently for no better purpose than to assist him to defend himself should Russia see fit to attack Yugoslavia. Obviously, the danger to Tito has subsided. Tito is safe to walk the streets of Moscow which were strewn with rose petals in anticipation of his arrival.

If Tito wants additional equipment, why should we not sell it to him and let him pay for it, just as Russia expects pay for what it sends to Egypt?

I recall that former Secretary of State, Mr. Dean Acheson, stated that he was positive Tito would never under any conditions resume cordial relations with the Kremlin. Khrushchev and Bulganin, after the death of Stalin and Beria, explained to Tito that what had happened was all a big mistake, that it was the traitor Beria and the bad man Stalin who were responsible for the situation. They made up their differences and will be friends forever. Under those circumstances, it seems to me there is no basis for supplying money to Tito.

Mr. President, I had the privilege of hearing the testimony of the Secretary of State. That testimony is not available to the public. In my judgment, there is nothing whatever about it that should not have been placed on the record, because there is nothing secret about it. If the Secretary had been able to tell us that certain information, not available to us, was the basis of the administration's judgment in this matter in trying to make an arrangement which has been proven to be a poor arrangement, I would be willing to go along with such a statement. But, having heard the presentation, it seems to me we took a calculated risk in spending a great amount of money in aiding a nation which we thought would be of advantage to ourselves. That nation is much safer than it was to begin with. It is safer than we are. No one is strewing rose petals on the streets of Moscow in honor of General Twining.

Tito is safe enough with the arms we have given him. He has a well-equipped army, and he is in position to become an ally, but I think the testimony will clearly show, if it is placed on the record, that no one expects him to come to our aid in the event we are attacked or in the event our allies are attacked.

Under those circumstances, Mr. President, I see no reason why we should continue to aid Tito.

Mr. BRIDGES. Mr. President, I am ready for a vote. If the opposition—

Mr. GEORGE. No, Mr. President.

Mr. KNOWLAND. Mr. President, I yield such time as the Senator from Georgia may require.

Mr. GEORGE. Mr. President, I think I can conclude in 5 minutes. I was asked to yield some time to the Senator from Oregon and possibly some other Senators.

Mr. President, what is the purpose of the foreign-aid program? Is it for us to go out on the streets and hand out money to friends? Is it to hand out

money to someone we like? Is that the purpose of it? If that is the purpose, then we are quite crazy to have introduced it, supported it, and continued it for another moment. All we can do is to give some support to bring about certain conditions which we believe will be in the interest of this country if and when we are faced with an aggressive movement by potential enemies.

It is not the purpose, let me say to my distinguished friend from New Hampshire and to my distinguished friend from Wisconsin, merely to give money to a friend or to an enemy. That is surely not the program. Both of the distinguished Senators who have spoken have said that we had already given perhaps a billion dollars to Tito. I think the actual figures are strictly confidential. I do not know what they are. I certainly shall not violate any confidence by stating figures which are strictly confidential. I do not feel at liberty to do so.

But if we have already done so, how will Tito repair his machines if we do not continue to assist him? How will he be able to get ammunition for American guns? How will he be able to get spare parts for replacements? How, I ask? Certainly if we close the door on him and say that under no circumstances will we let him have anything now to use in connection with what is said to be a billion dollars' worth of arms and munitions he has obtained from us—

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GEORGE. No, I will not yield.

Mr. McCARTHY. If the Senator will yield for 10 seconds, I merely wish to say that the Senator just made a statement that certain figures should not be revealed—and I think rightly so—because they were disclosed in executive session.

However, in answer to a question asked by the Senator from Virginia [Mr. ROBERTSON], Mr. Dulles said there was no reason why those figures should remain secret. Am I not correct in that statement?

Mr. GEORGE. I do not know what anyone may have said to anybody else. I simply know what the facts are so far as I am concerned, and I will not divulge them.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. GEORGE. I will not yield except for a question.

Mr. ROBERTSON. The question is this: When General Gruenther testified before the committee on the subject of mutual aid, I asked him if Tito could use anything except American ammunition in American guns, and General Gruenther said he could not. Is not that correct?

Mr. GEORGE. Of course he cannot. Therefore, while this proposal may satisfy our own natural hostility toward Tito, I say frankly, it does not display any good sense, because Tito already has obtained whatever he is going to get. There is very little in this program for Tito—very little indeed.

Mr. BRIDGES. Mr. President, will the Senator yield?



Mr. GEORGE. No, I will not yield, because I am not going to say what the amount is.

Mr. BRIDGES. I merely say that there is quite a difference between what is a great amount and what is a small amount. I feel certain the Senator did not want to imply that there is only a little in this program.

Mr. GEORGE. There is not much in this program for Tito. The economic aid is about \$30 million. It is to be used to buy wheat. It has got to be used by Tito to buy bread for his people. The military aid is on the same general order, so far as the bill is concerned. There may be some funds yet remaining in the pipeline, but there is not a great amount.

What is the situation? We may naturally be very hostile toward Tito and his form of government. I grant that we can be. But I repeat my statement: There is no good judgment in it. If Tito now has a billion dollar's worth of our arms and equipment, and if he cannot get any spare parts for those arms and equipment, what will be the natural result? He must go over to the Communist orbit. He may be glad to wait. It would be only a chance that we would have to keep him out of that orbit and keep him independent. But Tito certainly would have no choice if he now had to buy other arms and other equipment because he was unable to get any munitions, arms, or spare parts to take care of his investment, although it be a gift. So we would deliberately force him into the Russian orbit.

We are not simply going around handing out gifts to friends or foes. I do not care too much when a country is honestly neutral. I do not run the State Department, of course. But I would not be alarmed if I knew that a country was honestly neutral. I do not know that Tito will be neutral, but I do know that Tito will have nowhere else to go if we say to him, "henceforth and from this day on you will get nothing from us. You cannot get any spare parts or replacements from us." He will then have to move into the orbit of the Soviets; that is all. And we ourselves will have been the cause of it.

In my opinion, that is not good judgment, even if some Senators feel they must vote that way. I do not like Tito's government or his attitude. But that is not the point. That is not the question at all. The question is, Is there an existing condition which is in the interest of the United States and the other countries of the free world? We cannot end the aid, we cannot close it up, we cannot shut it off simply because we do not like Tito. Heaven knows, there are many countries I do not especially like at all. We cannot simply hand out money or withhold it simply on the basis that one country is our friend, while another is not, because we do not like its form of government.

Show me an honestly neutral country, one which will say, "We will fight for our neutrality," and I will show you a country which stands in the way of Soviet aggression. I know that that is true of India, if India is neutral. I know

it is true of Burma, if Burma is truly neutral.

We cannot have peace in the world unless we are willing to fight for it; and we cannot fight for peace unless we are prepared to fight. We cannot have peace unless we are willing to work for it day in and day out, year in and year out. A peaceful world simply does not happen.

So it seems to me that the House of Representatives, followed by the Senate Committee on Foreign Relations, dealt with this matter in a very sensible way. In section 143 the bill provides:

Notwithstanding any other provision of law, no assistance under this title or any other title of this act, or under any provision of law repealed by section 542 (a) of this act, shall be furnished to Yugoslavia after the expiration of 90 days following the date of the enactment of this section, unless the President finds (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, and (2) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act.

For my part, I believe that if the President affirmatively finds those positive conditions to exist, he will meet them. I will not question his finding if he says, "I find these conditions to exist." Otherwise, under the bill he cannot give any aid to Yugoslavia, whether it be little or big.

The aid provided in the bill is relatively small, so far as it goes. But certainly it is true that if we say that from now on there shall be nothing given or nothing advanced to Yugoslavia, then Tito will seek the only recourse he has, namely, to become a part and parcel of the Soviet Army; and Yugoslavia today has the largest force in Europe outside the Iron Curtain, outside of Russia herself.

She has, relatively, a sizable and powerful army. It looks like we shall be wasting time if we drive that strong military force into the use of Russian arms and Russian munitions. I am willing to leave it to the President.

I should like to yield time to the Senator from Oregon.

Mr. MORSE. Mr. President, will the Senator yield 10 minutes to me?

Mr. GEORGE. I yield 10 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 10 minutes.

Mr. MORSE. Mr. President, in my opinion this is the most difficult section of the bill on which we shall be called upon to vote. There is so much merit in what the Senator from New Hampshire and the Senator from Wisconsin have said on this subject, that we may very well make a very serious mistake if we adopt the committee's language. Nevertheless, Mr. President, I propose to point out what I think the comparative merits of the two positions are, and to express my reasons for standing with the committee.

If the calculated risk we run in terms of time goes against us, those of us who

vote for this committee amendment may very well find that we have blood on our hands. That is how serious I consider this issue to be, and I do not think anyone has a right to vote on the amendment without fully appreciating the seriousness of the alternatives with which we are confronted.

The Senator from Georgia [Mr. GEORGE], the chairman of the committee, has appropriately commented upon the point that if we adopt the Bridges amendment, there is no question of what we shall do to Yugoslavia. We shall drive her into the arms of Russia, because she will have no other place to go. At the present we at least have entree into Yugoslavia. I look upon Yugoslavia as pretty much of a satellite country of Russia, but she is one satellite with which at least we have some connection, on which we have some influence, I hope, and which we have some opportunity of winning over to the side of freedom. But, let me say, a tremendous risk is involved—a risk I do not relish taking as I vote with the committee on this issue. If I wanted to take advantage of the political situation raised by this issue I would avoid taking sides on this question; but I do not duck the tough ones.

I believe the point made by the Senator from Georgia is well taken, that the only source Yugoslavia has for spare parts and munitions for the equipment which she has received is the United States, and we stand in a position to cut off that source momentarily if we find that future events show that there is no hope of winning Yugoslavia over to the side of freedom.

So the position I am taking in supporting the chairman of the committee is the position which the administration supports. It is the position of the State Department. It is the position backed up by the White House. In this instance I feel that we should cast our lot with the President of the United States, and give to the President the 90 days the bill allows, within which to appraise and review the situation and decide whether or not, in the best interests of American foreign policy, we should continue or discontinue aid to Yugoslavia.

This gives me an opportunity to say, Mr. President, that for the most part, I intend to support the President of the United States in connection with this foreign aid bill. I intend to support the maximum figure of appropriation. In saying that I do not mean to indicate that the bill cannot be improved in several particulars, for instance, by increasing loans and decreasing grants. But we have threshed all that out in committee, and we have reported to the Senate a bill which has the backing of the administration, save and except with respect to the certain amounts of appropriations recommended in the bill. I understand amendments regarding amounts will be offered, but I shall vote for the amounts agreed upon by the committee unless some of the proposals of the President for increasing the amounts are offered by way of amendments.

Under the separation-of-powers doctrine, our primary obligation is to give



advice and consent to the administration on foreign policy; but, in the last analysis, the decisions in a matter such as is involved in the amendment shall be left with the President and Secretary of State. Of course I recognize that under the Constitution the Congress has the right and power to raise armies and provide for the defense of our country.

However, the issue we have before us now is so related to the diplomatic functions of the State Department and the foreign policy obligations of the President that I think we should accede to the President's wishes in this matter and adopt the language of the committee in respect to Yugoslavia. The language of the committee provides adequate checks upon the President and at the same time safeguards the objectives which we all have in mind. Not a single one of us wants to support Tito with foreign aid if he goes over to the Soviet Union of Russia. However, the administration thinks there is still a chance of at least neutralizing Yugoslavia. At least we pray that the people of Yugoslavia will be saved from complete enslavement by Russia. While diplomatic negotiations are being carried on by our own State Department we should not slam the door in the face of the President and the Secretary of State.

The bill in its present form gives the President 90 days to review our Yugoslav policies. I think we should give the President the 90-day period to re-appraise the Yugoslav foreign aid program and decide if the best interests of the United States justify continuing the aid program to Yugoslavia. I grant that serious risks are involved, but I think we should stand behind the President on this issue. I do not deny that the Senator from New Hampshire makes a strong argument in support of ending Yugoslav aid now.

Thus I cannot stand on the floor of the Senate and assert that I think the Senator from New Hampshire is wrong in the position he takes, because who knows? It is in the laps of the gods. It is in the lap of future events. We can pray that the language contained in the bill will prove to be the best course, and I am resolving my doubts in favor of that language.

I know there is danger that within the near future Tito may go over to the side of Soviet Russia. If he does, I know what will be said of those of us who voted for the language of the bill and not for the Bridges amendment. Future events may prove that we made a great mistake in judgment; but that is one of the risks of statesmanship we have to run. We have to decide whether or not to resolve doubts in favor of the language of the bill, which is the language the administration is asking for, or whether to take the position that in the field of foreign policy we will set ourselves above the administration and say, "Even though you would like further time with which to negotiate with Tito, and further time to try to win Yugoslavia over to the side of freedom, we will stop that possibility by adopting the Bridges amendment." In my judgment, that would be the effect of the Bridges

amendment. It would indicate that we have lost all hope—I do not know how much hope we have; I fear it is not much—of holding Tito on the side of the free nations.

The 90 days interim provided by the committee bill does not represent a period of danger, because I do not think much equipment and supplies will go into Yugoslavia in 90 days. So I believe that for 90 days we can run this calculated risk and place our trust in the administration, which is primarily responsible for American foreign policy, to make the final decision. I think the administration deserves from us the confidence of leaving to it the final determination of foreign policy in relation to Yugoslavia.

I betray no confidence—and I call this to the attention of the chairman of the committee and the ranking minority member of the committee—when I say we cannot tell on the floor of the Senate all we know as members of the Foreign Relations Committee as to what the administration is trying to do by way of further diplomatic negotiations to hold Yugoslavia at least on the side of neutrality, if not completely on the side of freedom, in the critical months and years immediately ahead.

However, the briefings we have had from State Department representatives about the Yugoslavia situation makes me very hopeful that all is not lost for us in Yugoslavia. I plead with the Senate not to give up hope in respect to Yugoslavia because I think we may still prevent Tito from going over to Russia.

I have said all I can say, Mr. President, in support of the language recommended by the committee. By way of summary, I should like to add that the doubts should be resolved in favor of the President on this issue. I say that as one who has opposed the President on many issues but who has supported him on most foreign policy issues. In fact, with the exception of his Formosa resolution, I have supported the President on foreign policy issues to a much greater extent than many members of his own party here in the Senate. I am glad to support him when I think he is right and on this Yugoslavia issue I think the doubts should be resolved in his favor.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a memorandum issued by the State Department concerning the capabilities of Yugoslavia for the production domestically of spare parts for United States supplied military equipment and dealing with other Yugoslavia matters.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

**YUGOSLAV CAPABILITIES FOR THE PRODUCTION DOMESTICALLY OF SPARE PARTS FOR UNITED STATES-SUPPLIED MILITARY EQUIPMENT**

A careful examination has been made both in Washington and by American representatives in Yugoslavia of the extent to which Yugoslavia has the capability for manufacturing in its own plants the spare parts which are essential for the continued operation of military equipment supplied by the United States under the MDA program. The conclusion reached is that to conceive of Yugoslavia's developing self-sufficiency in spare-parts output in the foreseeable future taxes

the limits of both possibility and probability.

For the equipment supplied under the Army portion of the MDA program for Yugoslavia alone there are about 85,000 distinct types of spare parts. The Air Force program would require the Yugoslavs to turn out thousands of spare-parts categories for items like aircraft instruments, jet engines, and fire-control devices for which Yugoslav capacity is nonexistent. Moreover, the complexity and diversity of this production is such that, under the best of circumstances, with full American financial and technical support, a number of years would be needed before any significant indigenous local output could be achieved. The same is true in the Army Signal Corps field, since Yugoslavia has no known electronics capacity of this nature. Since the United States is not giving any assistance to such spare-parts production in Yugoslavia, it can be seen that the difficulties would be well-nigh insuperable.

Another relevant factor arises from the physical limitations of the Yugoslav economy. Under any conditions, it is impossible to imagine that Yugoslav industry could turn out the special metals alloys and the special-purpose tools needed for substantial spare-parts production. There is already a serious shortage in the country of scientists, designers, engineers, and skilled technicians who would be essential for an expanded military industry, but who are now fully employed in keeping essential civilian industries in operation.

At the present time, Yugoslavia manufactures a good range of small-arms ammunition, small rockets, and light- and medium-caliber artillery shells. Infantry weapons and light artillery are also produced, but the output of trucks, tractors, and other vehicles rests almost entirely on an assembling process under foreign license (Italian and Austrian, for the most part) of component parts manufactured in Western Europe. Only light aircraft can be produced domestically, but even for these the engines are imported. Yugoslavia's balance of payments is very unfavorable. Under present conditions, when Yugoslavia finds it impossible without foreign grants or credits to import enough food for the population and sufficient raw materials for indispensable civilian factories, Yugoslavia would scarcely be able to finance the imports of metals, tools, and essential foreign technicians needed before even a start could be made on serious spare-parts output. If, in addition, United States licenses, blueprints, and specifications were not furnished, it is clear that the United States equipment would have become obsolete before any Yugoslav-made spare parts would be available. In this connection, Yugoslavia's budget for 1956 indicates some curtailment rather than expansion of investment programs for both military and civilian industries.

According to information at hand, most machine tools imported in recent years seem to come from West Germany, Italy, and Switzerland. Imports from the United Kingdom amounted to 302 metric tons of machine tools worth \$583,000 in 1953, 410 tons worth \$780,000 in 1954, and 255 tons worth \$337,000 in 1955. In those years the value of boring mills imported from England (and included in the above figures) was \$26,000, \$4,000, and \$8,000, respectively. Machine-tool imports from the United States in the same 3 years totaled about \$2 million.

**ANALYSIS OF YUGOSLAVIA'S PRESENT INTERNATIONAL POSITION IN THE LIGHT OF TITO'S VISIT TO MOSCOW**

In order to understand fully the respective positions of Yugoslavia and the U. S. S. R. with regard to their governmental and party agreements announced on June 20, it is essential to consider at the same time the speeches of Tito and Khrushchev at a Moscow mass meeting on June 19. In this light, con-



siderable divergencies in motivations and aims appear.

Tito's speech sticks quite closely to an elucidation of the points made in the two agreements. He seeks to develop an unemotional and pragmatic rationale for the foreign policy positions adopted in terms of Yugoslavia's own interests. He pleads for the most extensive and persistent possible efforts at conciliation between the opposing major powers in a spirit of great patience, and he repeatedly stresses his determination to keep all of Yugoslavia's foreign relations on a basis of equality and independence. He also does not intend, as he stated once before during his visit, to allow Soviet ties to injure his relations with the West.

Khrushchev pays little attention to the agreements and, instead, makes a belligerent address on how the rapprochement marks the defeat of plans by the imperialist "enemies" to exploit Yugoslavia's fight with Russia to bring about further intra-orbit conflicts. He claims that Yugoslavia must inevitably be closer to socialist than to capitalist countries and again promises the final victory of socialism over imperialism. He speaks of the unity of political views of all Communist parties based on ideology and on their "revolutionary stand" and predicts that any disputes between them will be speedily settled. Khrushchev's emphasis is on the struggle of the socialist and capitalist worlds for ascendancy, whereas Tito's is on their conciliation without victory for either, except through the normal working out of social forces in each individual country.

The government-to-government agreement does, unfortunately, give additional prestige to many Soviet foreign policy positions by lining Yugoslavia up in support of them. However, such Yugoslavia positions are not new, and many were included in the June 2, 1955, Soviet-Yugoslav communique of Belgrade. Yugoslavia now agrees to describe East Germany as a "sovereign state," to favor East-West German talks as the best means to achieve reunification, and to give the drawing up of an international disarmament convention to the first priority among all international problems. Naturally, such disagreements as there were are not voiced. But the Yugoslavs apparently refused to pledge diplomatic recognition of East Germany (although this may eventually happen anyway) and to attack Western alliances by name, though urging that "military blocs" generally should be liquidated. Also, it seems that Tito tried to impress the Soviets with the danger of a Middle East conflagration by singling this out for specific mention in his speech, in contrast to the communique's silence on this point.

The party ties agreement reaffirms the recognition and even desirability of multiple roads to socialism and of the complete freedom of will and equality of both sides. It amounts to a blueprint for a new type of loose relationship among Communist parties and Socialist states which conforms to previous Yugoslav specifications, but contradicts almost every aspect of worldwide Soviet practice in this sphere. The call for all inter-Socialist contacts to be equal, frank, democratic, and accessible to world public opinion is especially interesting.

Events of the visit made it clear that the Soviet leaders had decided to embarrass Tito in every way possible vis-a-vis the West. They repeatedly made bellicose speeches hostile to the West while Tito was on the same platform, and, on June 20, when Tito gave Zhukov a medal, the latter said that if war again broke out despite their best efforts to avoid it, Russia and Yugoslavia would undoubtedly fight together again. Tito is reported to have been visibly annoyed at this Soviet sally, which ran counter to Tito's public position that no bilateral military issues were considered. On June 22, moreover, the Yugoslav Foreign Office publicly

disassociated Yugoslavia from the portion of Khrushchev's June 19 speech which imputed evil motives to the West's efforts after 1948 to establish close ties to Yugoslavia.

The combination of speeches, communiqués, and incidents appears to merit the conclusion that Tito has not sacrificed his country's independence or freedom of action or subordinated Yugoslavia to the U. S. S. R. His terms of reference for party ties, furthermore, exclude collaboration with the presently operating worldwide Soviet-dominated subversive Communist movement, and, in fact, suggest an entirely different kind of movement.

From the United States policy viewpoint, and particularly with regard to the aid which Tito still undeniably needs, the question nevertheless arises whether Tito's continued independence is still worth anything to the West. Some observers, for example, have concluded that as matters now stand Titoism constitutes no danger in itself to the Kremlin, and that the way is now clear for Tito to return to the Communist family without losing his independent position. If true, this would, as Khrushchev gloated in his speech, eliminate Western hopes that Titoism may yet be a catalyst for producing an evolution within the Soviet orbit leading to a disruption of Soviet dominance over the orbit.

Such a judgment seems premature, however. Tito may still have an important role to play in bringing about the evolution of the satellites toward that degree of national independence vis-a-vis Moscow which the United States has believed would enhance United States security. For the fact is that, except with regard to Tito and Yugoslavia, the blueprint for new relations between Communist parties and states remains only hypothetical. Tito can be expected to be active in his endeavors to have it carried into practice, and, while Khrushchev gives the appearance of being sure that the end result will benefit the U. S. S. R., his very boastfulness may betray some uncertainty. Indeed, it is not unlikely that he is as unsure about the implications of the forces now set in motion as is the United States, and that his remarks are intended to improve the odds on the Soviet gamble by inducing the West to write Tito off.

No United States policy toward Yugoslavia can, of course, prevent Khrushchev from making efforts to bring about these new type inter-Communist and Communist-Socialist relationships, if, in fact, he desires them. However, the termination of United States assistance to Tito would symbolize United States hostility to these new relationships before the United States determined whether the new situation created by them resulted in a net gain to the United States or not, and before some well-thought-out accommodation of Western policy to the changes could be prepared. In any event, until it can be seen whether these changes are actually the Soviet intention or merely an insincere sop to Tito, it appears wise to await the outcome of present trends. In this process, unless the situation changes, it seems only prudent for the United States to continue its present policy toward Yugoslavia, including its position on economic and military aid. This should demonstrate to the Soviets that not only has Yugoslavia not lost Western support and not fallen into Russia's power, but that, on the contrary, they (the Soviets) must continue to make major efforts to adjust themselves to what Yugoslavia, as an independent Communist state, represents and to their as yet unhonored commitments to Tito on satellite independence and on a new type of loose interparty relations.

Mr. LONG. Mr. President, will the Senator from New Hampshire yield 5 minutes to me?

Mr. BRIDGES. I yield 5 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, as I stated, when Secretary of State John Foster Dulles came before our committee, I really thought I would vote for aid to Tito if a case could be made. I heard the case made by the Secretary of State, and he was completely convinced that aid to Tito should be continued. The argument made by the Secretary of State, and very well restated by the distinguished Senator from Georgia, whom we all love dearly, fundamentally, was that if we should fail to continue the aid which has been given, we could be sure that Tito would go over to the Communists.

At least, that is what it meant to me. It is a case of saying, "Here is a man who may be our enemy any day; he may be our enemy now. But we do know, gentlemen, that if we do not keep handing him American money and American wealth, he will be our enemy; we feel sure of that."

Mr. President, that is a far cry from the day when a famous American said, "Millions for defense, but not one cent for tribute."

In this case we are considering our relations with a man of whom it is proposed that we say, "We do not know where his interest lies, but we will keep on giving him our money."

Mr. President, the figures in regard to this matter are very detailed; they are sufficient to confuse anyone. However, any Senator who wishes to know how much of our aid goes to Tito can see for himself; the document to which I refer is confidential, but it is not confidential insofar as Senators are involved.

Let me say that one reason, in my opinion, why these matters become so confused is that the hearings are held behind closed doors. At the hearings, all the witnesses—who included some of the most brilliant men in the world—sat there day after day, faced by an audience also composed of brilliant men; and all the witnesses urged that the appropriation now proposed be made. Any Senator who wishes to see for himself the amounts proposed to be appropriated as aid for Tito can see the figures which I have before me. Certainly there has been great misunderstanding about them. John Foster Dulles himself did not know; he was confused.

However, one thing that is entirely clear is that at the present time Tito himself already has all the ammunition he wishes to have. If he should ever have a falling out with his old friends, the Russians, he could be able to do very well with the ammunition he now has, because all Senators can see from the figures I have before me that most of the ammunition and most of the tanks and most of the guns that Tito needs have already been delivered to him; deliveries of those munitions of war have been made to him in large quantities, and only a relatively small percentage of the total amount remains to be delivered.

This program was undertaken on the theory that Tito might have to fight the Russians. However, the testimony before the committee is, as we know, that Tito will not come to our aid, and that he has no commitment to aid any friends of ours, except that if Russia decides



to attack Greece or Turkey, Tito will be willing to talk to them.

So that is what our money has gone for. It has been paid to a man who has made up his quarrel or his disagreement with Russia, and has said that their misunderstanding was a terrible mistake, and that it was Stalin's fault or Beria's fault, and that, thank goodness, the misunderstanding is cleared up now, and that they will not have a misunderstanding again.

Now it is said that Tito may need more help. Mr. President, perhaps he may need more parts for some 90-millimeter guns, or perhaps he may need more parts for some tanks. If he does, let him buy them. I do not see why we should give them to him. As a matter of fact, our prospective enemy, Russia, is doing fairly well in selling arms to Egypt, and Egypt is paying for the arms. Why should we treat Communist Tito any better than Russia apparently is treating Egypt? As a matter of fact, Mr. President, if I were required to make a choice, I would be willing to loan Tito money, rather than simply give it to him, because I see no reason whatever for believing that the resources it is proposed we give to him will be spent for the benefit of those who are on our side.

Yes, if Tito had a falling out with his Communist brethren, and was willing to go to war against them, I would be willing to give him aid. But we see no indication that anything of that sort will happen. On the contrary, the testimony is that Tito is not our friend; that we cannot depend upon him; that he will not come to our aid; and that in the event of trouble in the days to come, he may very well be against us. In fact, it is said that he may already be against us, but that is not definitely known. However, it is said that if, in fact, Tito already is against us, we might be able to keep him from joining our enemy by giving him more of our arms and resources.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The time of the Senator from Louisiana has expired.

Mr. FULBRIGHT. Mr. President, will the Senator from Georgia yield 5 minutes to me?

Mr. SMITH of New Jersey. Mr. President, will the Senator from Georgia yield 5 minutes to me?

Mr. GEORGE. Mr. President, first I yield 5 minutes to the Senator from Arkansas [Mr. FULBRIGHT], and then I shall yield 5 minutes to the Senator from New Jersey [Mr. SMITH].

I understand that I have 10 minutes remaining. Is that correct?

The PRESIDING OFFICER. That is correct.

Does the Chair correctly understand that the Senator from Georgia yields first to the Senator from Arkansas?

Mr. GEORGE. Yes; if that is agreeable.

Mr. FULBRIGHT. I do not care.

Mr. SMITH of New Jersey. I am glad to have the Senator from Arkansas proceed.

The PRESIDING OFFICER. The Chair understands that the Senator from Georgia has yielded 5 minutes to the Senator from Arkansas and 5 min-

utes to the Senator from New Jersey. The Chair will recognize each of those Senators for 5 minutes.

At this time the Chair recognizes the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I wish to say a few words about the pending amendment to the committee amendment. I hope the Senate will reject it.

In the committee we examined this matter at considerable length. I confess that in this case I find myself defending the position of the administration, although I have criticized some of the purposes to which the administration proposes to devote the funds provided by this bill. However, this instance is not one of them.

Mr. President, apparently I have more confidence in the administration than do some of my colleagues on the other side of the aisle—at least, in this respect.

I think the Senator from Louisiana misconstrues the object of this program with Yugoslavia. I do not expect Yugoslavia, or Tito, either, to love us or to throw overboard his ideas of how to organize a community, or any of those things.

What I hope to achieve by this program—and we have done so up to now—is to have Yugoslavia remain independent of domination by Moscow. If we can enable Tito to remain independent, no matter how his affections are aligned, I think we shall have achieved a worthwhile purpose.

Let us consider for a moment the effect on Italy or on Greece if we were to drive Yugoslavia into the Russian camp. How embarrassing that would be to Tito's neighbors, upon whom we count as being our direct allies. If we drive Yugoslavia, with her great military potential, under the domination of Russia, we shall have created a very difficult situation for some of our very valuable allies.

However, Mr. President, I dislike to see emphasized, in connection with this program, the idea that everyone must be either our bosom friend whom we love, or our enemy. As a matter of fact, the idea of affection and allegiance is greatly overemphasized. That is not what is important in connection with this bill. Not only in the case of Yugoslavia, but also in the case of many other countries, I do not expect many other countries to love and cherish this country. What I do hope is that they will respect our intelligence; and that intelligence should be directed, if possible, toward maintaining a balance of power which will discourage the masters of the Kremlin from undertaking an adventure in international warfare. The way to maintain peace is the traditional way, I believe; and I believe that way has not been supplanted by an international organization. We hope that some day it will be; we strive to maintain and strengthen the United Nations. But no one can be sure what the future of the United Nations will be. Therefore, we try to maintain the balance of power, and at the present time the balance of power is in our favor. One of the favorable factors is that Yugoslavia is not allied with the enemy. A statement to that effect appeared only this morning in one of the newspapers.

It is obvious that Tito could not prevent Khrushchev and the other Russian leaders from making the statements they made while Tito was in Moscow. But when Tito returned to Belgrade, he disavowed any subservience to Moscow. I think that is a very important matter; and I am sure it is in the national interest of the United States to continue this aid program.

As all of us know, it has been going on for a number of years, and it has achieved its purpose. Its original purpose was the same as its present purpose, namely, to enable Tito to maintain independence from domination by Moscow. I think that purpose has been achieved, and that it has been of benefit to the United States, and that it continues to be of benefit to the United States. Tito stands there as an example to all other satellites; he is an example to all other satellites that they may aspire to independence from Moscow and to the control of their own destinies, if they have the nerve to do as Tito did when he broke with Stalin. So in my opinion it would be a very great disservice to the western peoples if we should, by our action here, drive Tito into the arms of Moscow by reason of necessity. Whether he likes it or not, he would become so dependent upon economic strength, alliance, and sustenance from Moscow, that he would have no alternative, I think. This is in no way a denial of any statement as to whether he loves us or not.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. KENNEDY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Georgia has yielded 5 minutes to the Senator from New Jersey, which is all the remaining time.

Mr. KNOWLAND. I yield one additional minute on the bill to the Senator from Arkansas.

Mr. KENNEDY. Does not the Senator from Arkansas feel that Marshal Tito helped the de-Stalinization of the Soviet Union, which offers the United States a potential opportunity at this time to readjust the balance in our favor in Western Europe and other areas of the world? Did not Marshal Tito, in assisting us to that end, increase the security of the United States?

Mr. FULBRIGHT. His action was certainly one of the contributing factors to the de-Stalinization of Moscow, because the defection of Tito from Russia when Stalin was in control was one of the greatest failures Stalin suffered during that period. I think that was also a contribution to the security of the United States.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of New Jersey. Mr. President, I am happy to rise on this side of the aisle to express my absolute confidence in the President of the United States. I think someone on this side of the aisle ought to say that. I am happy to do it. I thank the Senator from Georgia [Mr. GEORGE] for saying that he had confidence in the President of the



United States. I thank the Senator from Oregon [Mr. MORSE] for saying that he has confidence in the President of the United States on this particular issue.

I have known the Yugoslav people in years past. I knew them in World War I. I have seen them since then. I have seen the troubles they have gone through. I was sorrowful when troubles came in Yugoslavia, and the Yugoslavs went Communist, but I am holding no brief for Tito. I am absolutely of the feeling that there is doubt in the minds of many people as to what has been happening in Yugoslavia over the past several years. We were all elated when Yugoslavia broke away from Russia. We were elated when Tito was having difficulties with Stalin. It may be that Tito has gone back now. There may be 1 chance in 10 that he has not gone back. If there is 1 chance in 10, or 1 chance in 20 that the Yugoslav people, with their spirit, their great fighting ability, and their self-assertiveness, have not gone back to the Communists, I feel that that chance must be taken. It may be that we can hold them outside of the Iron Curtain.

I invite attention to the language of the paragraph in the bill which the Foreign Relations Committee has reported, dealing with this subject. I commend the committee for what it did. I read from page 29 of the bill:

SEC. 143. Notwithstanding any other provision of law, no assistance under this title or any other title of this act, or under any provision of law repealed by section 542 (a) of this act, shall be furnished to Yugoslavia after the expiration of 90 days following the date of the enactment of this section, unless—

Unless what? Unless the President of the United States, Dwight D. Eisenhower makes certain determinations. No one has a better understanding of world conditions, world peace, and world difficulties; and no one knows the situation with respect to Yugoslavia better than does the President of the United States. In any event, he is our President, our Commander in Chief. We must give him a vote of confidence right now. We must not say that he cannot have any discretion in this matter. So the committee says—

unless the President finds (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past,—

And I maintain that we were justified in giving aid at that time.

Further—

and that Yugoslavia is independent of control by the Soviet Union—

The President must determine that. Who could better determine it?—

and (2) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act.

The President is to make both of those decisions. I maintain that for us to say at this point that we will not give the President such discretion, when he is asking for it, and when he knows so much more about the subject than any of us do, is unthinkable.

I disagree with the implications of my colleague from Louisiana [Mr. LONG] during the executive hearings. We were shown what the doubts were; and there are many things that cannot be disclosed.

If we do not support this provision, if we do not give the President this vote of confidence, we shall live to regret it.

I agree with the Senator from Oregon [Mr. MORSE]. I do not know what is going to happen; but assuming that the worst happens, and that Tito goes over completely to the Soviet Communists, at any time we can cut off the pipeline. The President always has authority to do that.

So I am glad to rise to the support of the chairman of our committee and other Senators who have previously spoken and to urge that the amendment cutting off Yugoslavia at this time be rejected, and that the Senate accept the provision in the committee bill.

Mr. KNOWLAND. Mr. President, I yield 2 minutes on the bill to the Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, this is a question on which men can honestly differ. It is extremely difficult to determine what is the wisest course to pursue. This is a delicate diplomatic question. I believe that the Senator from Georgia [Mr. GEORGE] has stated the case well. This is a question which we must weigh carefully. Do we want to drive Tito completely over into the Soviet orbit, or do we want him to remain independent?

President Eisenhower recognizes the diplomatic problem with which he, the President of the United States, is confronted in making this vital determination.

Secretary Dulles, in appearing before the Appropriations Committee and giving testimony on this question, likewise recognized the delicate diplomatic question with which we are confronted.

I believe that we must stand with our President. We must stand with the Secretary of State. Those two gentlemen have all the information at their command. Such information has brought them to the conviction that they must examine this question for at least 90 days before they say, "We will no longer recognize Tito; we will no longer give him a penny."

For that reason I must definitely vote against the pending amendment, and in support of President Eisenhower and Secretary of State Dulles.

Mr. BRIDGES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair informs the Senator from New Hampshire that he has 14 minutes remaining.

Mr. BRIDGES. The Senator from New Hampshire realizes that, but he would like to have a quorum present when the 14 minutes are used.

The PRESIDING OFFICER. The Chair is informed that the time occupied by the quorum call would come out of the 14 minutes.

Mr. BRIDGES. If my request would cause trouble or inconvenience, I withdraw the suggestion of the absence of a quorum.

Mr. McCARTHY. Mr. President, I was about to ask that the time be not taken from the 14 minutes remaining to the Senator from New Hampshire.

Mr. BRIDGES. Time has been yielded on the bill upon several occasions. If we are to proceed under the rules, the Senator from New Hampshire is willing to proceed.

In that event, I yield 10 minutes to the Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. I should like to have the attention of the very able Senator from Georgia. I should like especially to have his attention, if I may. I have always had tremendous respect for the Senator from Georgia. I merely wish to call his attention now to what I believe to be misinformation which he has received. He referred to the statement which Mr. Dulles had made in executive session. I did not discuss it on the floor of the Senate, because I believed I was bound not to do so, because it was an executive session. The statement was that Yugoslavia was dependent upon America for spare parts, ammunition, and so forth.

All the evidence is that both the British and the United States have been furnishing Yugoslavia with sufficient machine tools to make all the spare parts necessary for their war machine. Therefore, it will have no difficulty whatever in furnishing all its spare parts. Therefore, the argument made by Mr. Dulles and the statement made by the able Senator from Georgia—and I am sure he was very sincere when he made it—do not jibe with the facts.

So far as the figures are concerned, I have heard much on the floor of the Senate about the figures being secret. I do not believe the figures were given to the Committee on Appropriations. They may be in the budget book that we received. However, I read them in at least three newspapers. As I recall—I cannot vouch for the authenticity of the figures—the amount is \$65 million. That is the amount that is to go to Yugoslavia. There is nothing secret about that figure. It has been published. The carryover figure, as I read it, has varied. The last figure I read was \$30 million. That would make \$95 million.

I may say to the very able Senator from Georgia that I do not believe he was present when I discussed this matter on the floor of the Senate. Normally, I would not discuss executive-session testimony. However, Mr. Wilson issued a statement after he left the executive session of what he had allegedly said in executive session.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The time of the Senator from Wisconsin has expired.

Mr. McCARTHY. May I have 30 additional seconds on the bill?

Mr. KNOWLAND. I yield 30 seconds on the bill.

Mr. McCARTHY. Mr. Wilson issued a statement on what he had allegedly said in committee. Therefore, I believed I was relieved from any compulsion to keep it secret. One of the things that Wilson said, in effect, and it is a matter of record—and I am not quoting



verbatim, although previously in my remarks I did quote Mr. Wilson's statement verbatim—was "Don't discriminate against a country in giving aid merely because it is Communist."

I ask Senators: Why are we giving aid if it is not to fight communism? Why say, "Yes; we will give aid to Communist countries, and we will not discriminate against them"?

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. BRIDGES. Mr. President, I yield 3 minutes to the distinguished Senator from Vermont.

Mr. FLANDERS. Mr. President, this matter has given me a great deal of concern. I speak of concern in this case as something really deep and serious, not a simple case of perplexity. From the very beginning, our help to Tito, so far as I am concerned, has smelled. It has smelled from the first day on which I learned we were supporting Tito. The way in which I justified our action to myself and to others who discussed the matter with me was that the seacoast of his country is an ideal nest for submarines, and I believed that the safety of the Mediterranean depended on there being no Soviet submarine nests on the Adriatic coast. Technical differences and changes which have taken place in the past few years have made that consideration less important.

The coming together, to the extent that they have come together, of Tito and the Soviet Government completely erases the situation. Any reason I have ever had for being favorable to the support of Tito has completely disappeared.

Now I wish to speak of the question of buying assistance. We have spent billions of dollars in Europe, and many, many billions of those dollars were spent effectively and usefully. They were not spent in buying support. They were spent to strengthen the economies of Western European countries and to aid their recovery from World War II. They were spent in such a way that production was increased and employment was increased. In that way the countries were put on a sound financial basis. As a result of those expenditures, up until now communism has been stopped, particularly in Italy and in France. Those were billions well spent. The millions for Tito are not of that kind.

I doubt whether anyone in the Senate can give a successful instance of buying support or buying neutrality. Support and neutrality cannot be bought. I wish my voice and my vote on the bill to be recorded to the effect that that is my conviction, that they cannot be bought.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. FLANDERS. I should like to have 30 seconds more.

Mr. BRIDGES. I am glad to yield 30 additional seconds to the Senator from Vermont.

Mr. FLANDERS. I believe it incumbent upon me to inform the President and the Secretary of State, in the most direct and effective way possible, that

I am of that conviction and will act in accordance with that conviction.

Mr. BRIDGES. Mr. President, I yield myself 1 minute. I merely wish to say that the statement that we lack confidence in the President of the United States in sponsoring this amendment is not correct. It is not true. What we would do by adopting the committee amendment would be to pass the buck to the President. The President would be forced to make the decision on this question. If the Communist issue is clear enough, let us stand up and be counted now; let us read the record and have a vote yea or nay. I shall be proud of the way I cast my vote, and I know other Senators who vote in favor of the amendment will also be proud of the way they vote.

I yield 7 minutes to the Senator from Maine.

Mrs. SMITH of Maine. Mr. President, I rise in support of the amendment. Yesterday I gave my reasons in detail for opposing any further aid to Tito and Communist Yugoslavia. Today I shall summarize them as succinctly as I can.

I oppose further aid to Tito and Communist Yugoslavia because—

First. Tito has announced Yugoslavia's determination to stand side by side with Communist Russia—he never once forsook Communist principles—he only broke with Stalin over their respective personal greed in a struggle for personal power.

Second. We have gambled a billion dollars on Tito and lost—more than anyone else, he has proved by his actions that he is not even a poor risk for us but rather a guaranteed ally of Communist Russia.

Third. Tito is nothing less than an international blackmailer who aspires to become the leading spokesman for international communism and he may well before too long if Khrushchev and Bulganin continue to pamper his vanity.

Fourth. It is a disastrous illusion to hold to the hope that our continued payment of blackmail to Tito will encourage other Communist satellites to break with Communist Russia—instead it is far more realistic and likely that such countries will say if Tito can blackmail the United States out of a billion dollars why do we not?

Fifth. To continue aid to Tito, the self-styled leading spokesman of international communism and jubilant ally of Communist Russia, would make a mockery of the very statement of policy of this bill which says that the purpose of the bill is to fight the spread of international communism—how ridiculous and contradictory are we going to make ourselves?

Sixth. With respect to chapter 4, section 143, who can deny that there has been a change in Yugoslav policies unless they admit that there has been no change only because Tito has really been for international communism all along and has not changed—what difference does it make if Tito and Yugoslavia are independent of control by the Soviet Union as long as they have now rewedded themselves on dedication to international communism and proclaim-

ing that they will stand side by side in war—just what kind of independence is that that we should blindly accept it as a reason to continue to give aid to Tito—and after the recent Tito-Khrushchev-Bulganin display in Moscow, who can really in all seriousness and sincerity contend that it is in the national security of the United States to continue furnishing assistance to Yugoslavia?

Seventh. Make no mistake about it, Tito is no neutralist—like such countries as Sweden, Ireland, Switzerland, Burma, and others—Tito is a Communist, tied lock, stock, and barrel to the Kremlin now as a senior partner instead of a junior partner and having bought his senior partnership with the billion dollars he blackmailed out of the United States, having merely used us to make the Kremlin accept him as a senior partner.

Eighth. It is about time that we started some intelligent discrimination on to whom and which nations we should give our aid—it is about time that we stopped paying blackmail and thus encouraging other nations to play the Tito game against us.

Ninth. We should make an example of Tito to the rest of the world by cutting off aid to him—we should show to the world that international crime does not pay and that Tito is no exception as far as we are concerned.

Tenth. The sooner we recognize these truths—the sooner we take our heads out of the international sands about Tito—the sooner we keep faith with our own American people.

Mr. SPARKMAN. Mr. President—

The PRESIDING OFFICER. The acting majority leader is recognized.

Mr. SPARKMAN. Mr. President, I wish to yield 2 minutes to the Senator from New York [Mr. LEHMAN].

Mr. LEHMAN. Mr. President, of course, no one can possibly be certain of what is going to happen in the future, but it seems to me that we would be making a serious mistake if at this time we should tie completely the hands of the President of the United States and the Secretary of State who are, after all, responsible, in the main, for our foreign policy, by issuing a mandate to them that they must immediately cut off all supplies from Tito.

Certainly, Mr. President, regardless of what the future may develop or what it may have in store for us, a difference of 90 days in the implementation of any plan will not make any serious difference. If we shut off all aid to Tito, we shall drive him into the arms of the Soviets. We have no assurance, as the Senator from Oregon [Mr. MORSE] has pointed out, that if we continue our aid we shall hold his friendship or his support. But, certainly, the issue is entirely clear that if we cut off aid completely, now, without giving sufficient time for diplomatic investigation and study, we shall inevitably force him into the arms of the Soviets.

So, Mr. President, I hope we will maintain and sustain the position taken by the distinguished chairman of the Foreign Relations Committee, and not accept the amendment proposed by the Senator from New Hampshire.



Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Do I correctly understand that the amendment which is now before the Senate is to strike out the language on page 29, line 18, beginning with the word "unless" and extending through line 25?

The PRESIDING OFFICER. The Senator is correct.

Mr. O'MAHONEY. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Mr. President, would it now be in order to offer an amendment to the amendment to strike out?

The PRESIDING OFFICER. It would be in order to insert language in lieu of that sought to be stricken out.

Mr. O'MAHONEY. Then, Mr. President, on behalf of the Senator from Oregon and myself, I desire to offer an amendment. I assume I shall have time to explain the amendment.

The PRESIDING OFFICER. Will the Senator from Wyoming send his amendment to the desk?

Mr. O'MAHONEY. I shall have to read it, Mr. President, because no one else can read my writing.

On line 18, after the word "finds," insert the words "and so report to the Congress with his reasons therefor."

On line 22, strike out the word "and" and after the figure "(2)" insert the following: "that Yugoslavia does not adhere to any policy for the Communist conquest of the world, and (3)."

With these amendments that portion of the committee amendment would read as follows: "unless the President finds and so reports to the Congress with his reasons thereof (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia does not adhere to any policy for the Communist conquest of the world, and (3) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act."

Mr. President, I ask that the clerk may read the amendment as I have dictated it, so that it may be clear to me and to all other Senators that the amendment has been correctly stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Wyoming.

The LEGISLATIVE CLERK. In lieu of the language proposed to be stricken by the amendment of the Senator from New Hampshire [Mr. BRIDGES], it is proposed to insert the following: "unless the President finds and so reports to the Congress with his reasons therefor, (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia does not adhere to any policy

for the Communist conquest of the world, and (3) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act."

The PRESIDING OFFICER. How much time does the Senator yield himself on his amendment?

Mr. O'MAHONEY. I yield myself 10 minutes.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Wyoming yield for a parliamentary inquiry?

Mr. O'MAHONEY. I yield.

The PRESIDING OFFICER. The Senator from Colorado will state his parliamentary inquiry.

Mr. ALLOTT. To what page of the bill is the amendment directed?

The PRESIDING OFFICER. Page 29, line 18.

Mr. FLANDERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Wyoming yield for a parliamentary inquiry?

Mr. O'MAHONEY. I yield.

The PRESIDING OFFICER. The Senator from Vermont will state his parliamentary inquiry.

Mr. FLANDERS. Am I to understand that this is an amendment by way of substitution?

Mr. O'MAHONEY. Yes; that is the purpose.

The PRESIDING OFFICER. The amendment now before the Senator is an amendment to the language proposed to be stricken out by the amendment of the Senator from New Hampshire.

Mr. O'MAHONEY. Mr. President, in order that the amendment may be clear and that my own position may be clear, I wish to make it understood in unmistakable language that I have no faith in any of the leaders of the Communist movement.

Mr. JOHNSON of Texas. Mr. President, may we have order? The Senator from Wyoming is making an important statement which all Senators are entitled to hear.

The PRESIDING OFFICER. The Senate will be in order. All Senators will observe the admonition.

The Senator from Wyoming may proceed.

Mr. O'MAHONEY. Mr. President, I want it clearly understood that I have never cherished any faith in any leader of any part of the Communist movement. I believe that movement was generated by men who were convinced that they were engaged in a world movement to conquer and to impose totalitarian dictatorships upon the people.

That general statement of mine applies to Tito. I cannot forget the sort of warfare and the sort of persecutions which were carried on by Tito against Mikhailovich before the European war was brought to an end. I know him to be, on all the evidence which has been presented to us, an intolerant dictator, and therefore totally opposed to everything for which this Government stands.

I believe the only difference between Tito and the Soviet Communists is that Tito did not submit to all of the bloody tyranny of Joseph Stalin. The other leaders of the Soviet Government in Moscow today did submit to the bloody, arbitrary, and tyrannous policies of Stalin. All their pretenses now that they have forgotten Stalin, had no faith in him, and did not adhere to his policies, are not worth the wind that blows them away.

But I also know, Mr. President, that the United States is now and has been throughout this war endeavoring to bring peace to the world by negotiation. Because of the great improvement which has been made in the destructive capacity of arms, we cannot satisfy ourselves any longer that we can effectively wage war. I do not believe in a preventive war. I think it would be absurd folly and would send millions of men, women, and children to their death, not only upon the battlefields, but also in their homes. So I feel that if we desire to have peace, we have no recourse except to try to secure peace by negotiation and through the United Nations.

I have supported the United Nations. I have supported the conversations which have taken place there, although I have never been satisfied with all of them. I have believed completely in the statement which was made by former Senator Warren Austin, of Vermont, when he was appointed by President Truman to be the first American Ambassador to the United Nations. I remember his statement to the people of the United States in a television speech, when he explained that he was willing to talk with the Soviet Russians following their return to the Council of the United Nations, after they had ignored the Council for months, if not for years.

He said, in effect, in simple words, "I would rather die of ulcers from nervous tension and from struggles in these meetings than involve the world again in a great war."

That was commonsense. We cannot go to war. We should not go to war.

But the Senate only a day or so ago appropriated an additional billion dollars for the United States Air Force, because it wanted to make certain that the United States would have the greatest airpower in the world for protection and not for attack. I am advised that the House conferees have agreed to that increased appropriation.

So it is clear that the policy of Congress is to maintain so far as expenditures can maintain it, the greatest airpower in the world, not because we want to wage a preventive war, but because we desire to make it clear to all the world that we have the power to destroy an aggressor, if an aggressor should ever attempt to attack us.

Therefore, I offer my amendment with the thought not that we should waste money on Tito, not that we should let the world know that we have any special faith in him. Not at all. I offer it merely so that we may continue our conversations and that we may continue the policy which we have launched until it becomes clear that there is no hope



of reaching an understanding with the Yugoslav Government.

The changes which I have proposed by this amendment to the committee amendment make it the responsibility of the President to make his finding in written words reported to Congress. I am tired of granting blank checks of power and blank checks of spending money appropriated by Congress without knowledge of what they will be used for. I want it made crystal clear that if this authorization of an appropriation for Yugoslavia is to be made, it will be the direct responsibility of the President of the United States to report to Congress, first, that there has been no change in the Yugoslavian policies which we have heretofore followed; and second—and this is new—that Yugoslavia does not adhere to any policy for the Communist conquest of the world.

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. In a moment.

Third, that it is in the interest of the national security of the United States to continue to furnish assistance to Yugoslavia in this act. The purpose of the amendment, therefore, would be to make the President understand—

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. O'MAHONEY. I grant myself 2 more minutes.

The purpose of the amendment, therefore, would be to make the President of the United States understand that what we want from him is a written finding upon these facts, particularly upon the fact that Tito does not adhere to the Communist policy of world conquest. If the President finds that, he can find it only by negotiation; and if he does find it, and if Tito does make such a declaration, I believe indeed we shall have our feet upon the path to peace.

That is the explanation of the amendment.

I shall be very glad to yield to the Senator from Louisiana. I yield myself time enough to answer his question.

Mr. LONG. Would the Senator be agreeable to including in the amendment language to the effect that there has been a determination that there has been no change in Soviet policy toward Yugoslavia—upon the basis of which policy the United States has granted aid to Yugoslavia?

Mr. O'MAHONEY. I am afraid the Senator's suggestion is not clear. It would be ambiguous.

Mr. LONG. Does the Senator realize that the change has come in Soviet policy toward Yugoslavia? Tito did not want any separation from the Communists, but the Communists forced him away. Perhaps the Senator could include in his amendment language that there has been no change in Soviet policy—which was really the reason why there was a split in the first place.

Mr. O'MAHONEY. What the Senator means is that there has been a change in Soviet policy.

Mr. LONG. Up until Soviet Russia began to make threats against Yugoslavia, there was no reason why this Nation should grant aid to Yugoslavia.

Mr. O'MAHONEY. My feeling is that the amendment which the Senator from Louisiana suggests is too vague and uncertain. As this language has been prepared, it makes clear what the policy of our Congress is.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I prefer to have the Senator take time of his own.

Mr. LONG. Does it occur to the Senator, however, that the problem here—

Mr. O'MAHONEY. Mr. President, I wish the Senator, who seems to be wanting to file another amendment, would speak on time against the amendment rather than on time for it.

Mr. MORSE. Mr. President, will the Senator from Wyoming yield 5 minutes to me?

The PRESIDING OFFICER. The present time is under the control of the Senator from Wyoming.

Mr. O'MAHONEY. My time has expired. I wanted to allow time to the Senator from Oregon to speak.

Mr. MORSE. Mr. President, will the Senator yield 5 minutes to me?

Mr. O'MAHONEY. I yield 5 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, I have joined with my friend from Wyoming as a cosponsor of the amendment because I believe it is a very helpful and clarifying amendment, as well as a very practical amendment. Let us be practical about what would happen under the language of the committee's bill as it is now written. The language, starting on line 13, page 29, reads:

Notwithstanding any other provision of law, no assistance under this title or any other title of this act, or under any provision of law repealed by section 542 (a) of this act, shall be furnished to Yugoslavia after the expiration of 90 days following the date of the enactment of this section, unless the President finds—

Now, let us consider the situation after the expiration of the 90 days. The President will go into a press conference. He will be asked about his findings in respect to Yugoslavia aid. For that matter, in my judgment, at the end of those 90 days, the President of the United States undoubtedly would make clear his position, under the language of this bill, through some medium, be it radio or television or White House release or State Department release or in answer to questions at a press conference. It is only common sense to expect the President under the language of the committee bill to make some public statement in this problem at the end of the 90-day period. Therefore I think the language of the O'Mahoney-Morse amendment requiring a report to the Congress from the President would be helpful to the President. It would give legislative formality to his decision on the matter of whether to continue or discontinue Yugoslavia aid. It would be in keeping with our check and balance system.

In my opinion, any President should welcome language in the bill which simply says that he shall report to the Congress his finding in respect to whether

we should continue Yugoslavia aid. I am confident the President would welcome the O'Mahoney-Morse amendment, because we have been advised that the language of the committee bill carries out a program the President himself desires. I do not believe that Dwight D. Eisenhower, or any other President, would object to giving to the American people his reasons for finding that the aid should be continued or discontinued.

The last point I desire to make, Mr. President, is to supplement what I said earlier this afternoon. I believe we should resolve the doubts in favor of the calculated risk we are running on this issue, because we should not overlook a great force on our side in Yugoslavia, which is to be found in the people of Yugoslavia. We have heard a lot of discussion about Tito this afternoon, but Tito is not Yugoslavia. He is the dictator of it; but, Mr. President, men come and men go, dictators come and go but the spirit of the people of Yugoslavia will live on.

The greatest support the American people have in Yugoslavia is the spirit of the people of Yugoslavia? It is the religious faith of the people of Yugoslavia. I would have the Senate pause long enough to remember that the people of Yugoslavia are a religious people. The people of Yugoslavia are a deeply Christian people. Christians cannot be subjected to the enslavement of communism for long.

I want to say, as a member of the Foreign Relations Committee, that every report I have had in regard to what is going on within Yugoslavia, among the rank and file of the people of Yugoslavia, is that they are on the side of the people of the United States in their religious dedication to the spiritual values of freedom. I do not think, Mr. President, we should walk out on that spirit which abides in the people of Yugoslavia. It is one of the greatest assets we have. We can afford to gamble on it. We ought to capitalize on it. We ought not to turn our backs on the people of Yugoslavia by turning down the language proposed by the committee. We should support the President on this matter. We should allow him to make a full reappraisal of Yugoslavia relationships for the next 90 days. We should let him continue diplomatic negotiations with Yugoslavia on this issue. The amendment obligates the President to report to the Senate and the House of Representatives and to the American people his reasons for finding that we should or should not continue support for Yugoslavia. I think it is the practical and the statesmanlike way to approach the problem. Therefore, I am glad to join the Senator from Wyoming in his amendment.

Mr. HUMPHREY of Minnesota. Mr. President, will the Senator yield 5 minutes to me?

Mr. O'MAHONEY. I yield 5 minutes to the Senator from Minnesota.

Mr. HUMPHREY of Minnesota. I am sure every Member of this body recognizes that aid to Yugoslavia at best is a very calculated risk.



The PRESIDING OFFICER. How much time did the Senator from Wyoming yield to the Senator from Oregon?

Mr. O'MAHONEY. Five minutes.

Mr. HUMPHREY of Minnesota. I think the record is crystal clear that Mr. Tito is a dictator. I think it ought to be clear that he is a Communist. I think it also should be clear that Mr. Tito and his forces were responsible for one of the first breaks in the orbit of international communism as a combined force organized against the free world.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY of Minnesota. I am glad to yield.

Mr. JOHNSON of Texas. I wonder if the distinguished author of the amendment does not want to ask for the yeas and nays now, so that they may be ordered.

Mr. O'MAHONEY. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I thank the Senator from Minnesota.

Mr. HUMPHREY of Minnesota. Mr. President, I wish to make my position clear. I have never been particularly happy about aid to Tito. I was not happy at its inception, and I am not happy at this particular hour about it. But I think we ought to recognize that one of the first objectives of American foreign policy was to break up the closely knit Comintern, the closely knit international movement of communism. If we could break through and fragmentize the international Communist movement, at least that was a good sign. It was a hopeful sign.

This United States Senator does not like dictators of any kind. I do not like Nazi, Fascist, or Communist dictators. If it were strictly on the basis of voting one's emotions or philosophy, without any regard to the intricacies of power politics, I would not vote a single penny for any one of the dictators. I do not like dictators in any country. We are allied with some dictators. Let us put our cards on the table. This country is in alliance with some dictators. We have been in alliance with some dictators because it was a part of the power struggle. We have not subjected all these dictators to a blood test, because if we did, I am afraid they would not look too good.

Mr. President, Tito was the first to break away. At the present time the Communist Parties in Italy, in France, and in other countries are beginning to show signs of restlessness; they are beginning to indicate that perhaps they should be a little Tito-like themselves. Some persons may say, "That is all a sham and a trick." It may be, Mr. President. Other persons may say that since the debunking of Stalin, there is an indication of a break in the solidarity of the Communist movement. I do not know.

But in 1952, the Senators on the other side of the aisle told the American people that Dwight Eisenhower knew more about foreign policy than anyone else

in the United States did, and that he understood best the responsibilities of the United States toward other nations.

Mr. President, I wish to say that the President of the United States is, of course, well informed in the field of foreign policy. I have disagreed with him, and even today I disagree with him, on many areas of our foreign policy. But let the RECORD be clear that the Secretary of State, as the official representative of the President of the United States, came before the Senate Foreign Relations Committee with a special plea regarding this item, and none other, in the bill; in the case of no other item in the pending bill did the Secretary of State come before the Foreign Relations Committee and say, "This one is so important, gentlemen, that we ask you to reconcile your doubts in favor of our proposal."

Mr. President, the language of this proposal is the language of the executive branch of the Government. This proposal is included in the bill in the way requested by the Secretary of State. The Secretary of State has said that the decision in regard to this matter is critical and vital. He has said that we could do a great deal of damage if we were to strike out the language which presently appears at this part of the bill, as it has been modified—and, let me say, in my opinion, improved—by the amendment of the Senator from Wyoming and the Senator from Oregon.

Mr. President, I say very frankly that in reaching my judgment on this matter, I am in an unhappy state. My immediate reaction was, "Away with Tito. Not one nickel, not one gun, not one bit of aid for Tito."

But then the President of the United States sent his Secretary of State to the Foreign Relations Committee, and there the Secretary of State said to the committee, "If this authority is stricken from the bill, if we are forbidden to have this authority, the result may very well be to drive Tito smack-bang into the hands of the Kremlin, totally and completely, and also to drive every other Communist group that today indicates even a slight amount of restlessness, completely into the hands of the Kremlin."

Mr. President, I conclude by asking, Whom are we supposed to believe? Are we supposed to believe our fellow Senators, who, in this case, do not have one bit more information than the Senator from Minnesota has? Are we supposed to believe an editorial writer? Or in the case of a delicate matter of this kind, are we supposed to believe the Central Intelligence Agency of our Government and our Ambassador to the Soviet Union and our Secretary of State, with 50,000 employees and a network of agencies at his command; and are we supposed to believe the President of the United States?

In this case, since it has been made a matter of official policy, and since I gather that it has been made a matter of supreme importance by the President of the United States and the Secretary of State, I judge that there is only one thing to do, and that is to let them have

the responsibility and let them report to the Congress of the United States.

I am willing to trust the President of the United States not to put money and arms into the hands of our enemies. I am willing to trust the President of the United States to do what is right and what is honorable in this critical situation, because he has said, through his agents, that this matter is vital and important and sensitive, and that it should not be played with loosely.

On that basis, Mr. President, I shall support the amendment of the Senator from Wyoming [Mr. O'MAHONEY], because I think it improves this part of the bill a great deal, and at least it puts the responsibility right where the situation requires that it be put, namely, upon the President of the United States and his official agents.

Mr. PASTORE. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY of Minnesota. I yield.

Mr. PASTORE. Like the Senator from Minnesota, I shall support the amendment, and I subscribe to all the arguments he has made and to all the arguments which have been made by the Senator from Wyoming.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has expired.

Mr. O'MAHONEY. Mr. President—

Mr. PASTORE. Mr. President, let me say—

Mr. O'MAHONEY. Mr. President, I yielded time to the Senator from Minnesota, but that time has expired. I must conserve the remaining time, inasmuch as only 7 minutes remain. I wish to hear any arguments which may be made against the amendment, if there are any arguments to be made against it. I shall save time for the Senator from Rhode Island, if any time is left.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the Senator from Idaho [Mr. WELKER].

The PRESIDING OFFICER. The Senator from Idaho is recognized for 3 minutes on the amendment.

Mr. WELKER. Mr. President, I have listened to the debate on the amendment of the Senator from New Hampshire [Mr. BRIDGES]; and I have listened to the debate on the pending innocuous amendment of the Senator from Oregon [Mr. MORSE] and the Senator from Wyoming [Mr. O'MAHONEY], which to my mind, will do nothing to help our country remain strong. The pending amendment constitutes just another attempt to evade an issue which at some time all Senators will have to face before the American people, whom Senators are supposed to represent.

Mr. President, I well remember when ton after ton and boatload after boatload of scrap iron were being sent from the United States to Japan. I remember that at that time the Japanese were not enemies of ours, although voices such as that of the great Senator from New Hampshire [Mr. BRIDGES] had been raised on the floor of the Senate, telling us to beware, telling us that we might be getting into trouble.



Today, I have heard hour after hour of debate, including the words of the great statesman and chairman of the Foreign Relations Committee, the senior Senator from Georgia [Mr. GEORGE], who told us that, yes, Tito and Yugoslavia might well be in the Communist orbit, as of this moment. Yet he expects us to vote our taxpayers money to that dedicated Communist, Tito.

Mr. President, are we men or are we mice? Will we sit idly by and gamble with the future of our country? In this case, let us not be weaker and even more spineless than Senators were in regard to the shipment of scrap iron to Japan. We have heard it said that we are giving aid to Yugoslavia and to Tito, so that Tito can buy shells for his guns, and so that he can equip the tanks that we gave him—so that he can have those necessary things, which only we can supply.

Mr. President, I never thought I would serve in the Senate of the United States and hear it argued that we should give Tito our money, so that he would be able to buy from us shells to use to kill American boys. That is exactly what is now being done, and what it is proposed that the United States continue to do. Mr. President, we are not statesmen when we sit here and listen to arguments of that sort.

I say let us support the amendment of the Senator from New Hampshire [Mr. BRIDGES], and let us knock off Tito and Yugoslavia from our aid right now.

For nearly 6 years I have heard the same arguments that I have listened to today.

The PRESIDING OFFICER. The time yielded to the Senator from Idaho has expired.

Mr. WELKER. Mr. President, will the Senator from California yield 2 additional minutes to me?

Mr. KNOWLAND. Yes, Mr. President; I yield 2 additional minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 2 additional minutes.

Mr. WELKER. I thank the Senator from California.

Mr. President, I heard a great statesman in this body say, as far back as 1953, "This is the end of foreign aid and mutual security."

Mr. President, if, after 7 years of such use of the money of the American people, Senators cannot stand on their own feet and do what is right and stop this program, they will never be able to do it.

Let us consider to the argument we have just heard from Senators on the other side of the aisle—yes, and also from some Senators on this side of the aisle, Mr. President—namely, that we must give money to Tito, so that he can buy shells for the guns we have already given to him. In other words, we are told that we must give money to Tito, to enable him to buy shells for guns which will be used to kill American boys.

Mr. President, it is about time for the Members of the Senate of the United States to stand up and be counted as Americans.

Mr. President, regardless of how other Senators may vote, I will never vote for the adoption of such an amendment as

the pending one, an amendment to pass the buck, although we are responsible to the people of the United States.

Mr. President, we represent the American people. Let us do it proudly, strongly, and bravely.

The PRESIDING OFFICER. The time yielded to the Senator from Idaho has expired.

Mr. LONG. Mr. President, will the Senator from California yield 3 minutes to me?

Mr. KNOWLAND. I yield 3 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. LONG. Mr. President, it seems to me that the question which those who would like to vote funds for Tito will have to answer is: How can they give these hundreds of millions of dollars to Tito without the American people resenting it? How can they vote money for Tito and escape responsibility if he turns against the United States?

Therefore, some measure must be devised whereby a Senator can explain his vote of hundreds of millions of dollars for Tito. We are told that the President is to determine that Tito has not changed his foreign policy. That should not be too difficult to determine. Mr. Khrushchev made a speech to the Communists a while back, and he explained that Tito had shown some independence, and he said that he—Mr. Khrushchev—had advised Stalin to tolerate that degree of independence, and to keep Tito in the Communist group. He said that it was a terrible mistake when Stalin said he could raise his little finger and Tito would fall. He said that Russia paid dearly for that mistake. So according to Khrushchev, the change in policy was not a change by Tito. It was a change by Russia.

I should like to ask the distinguished Senator from Wyoming if he would be willing to modify his amendment to take care of that aspect of the situation, and to say that the President must determine that Russia has not changed its policy toward Yugoslavia, because according to Russia, and according to Tito, that is what it is all about. That is why we gave Yugoslavia the money.

The Senator knows as well as I do that his amendment would not be worth the paper on which it is written if it were amended to say that before we could give 5 cents to Tito we had to first determine that Russia has not changed her policy toward Yugoslavia. Otherwise, it is possible for Tito to go into the same close alliance that has always existed, with Khrushchev tolerating the slight degree of independence which Stalin would not tolerate. They say they are good friends. The money for Tito could be used to our disadvantage.

We talk about encouraging people to show independence. We talk about encouraging all the people involved in the Communist conspiracy to show some independence. Apparently, the Russians think that is a good idea, because that is what they are also encouraging.

My best information is that they are now encouraging Communists all over the world to demonstrate some degree of

independence. Why? Because it appears to their advantage that Communists throughout the world trying to subvert free government should indicate that they are thinking about the welfare of the people of the nations where they are located, rather than thinking about the welfare of the Soviet Union.

As a matter of fact, even in Russia some independence is being shown.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. KNOWLAND. I yield 2 additional minutes to the Senator from Louisiana.

Mr. LONG. I understand that yesterday Pravda carried a front page story reprinting an editorial from the Communist Daily Worker of the United States, in which the question was asked, "Why was it that the other men in the Kremlin tolerated what Stalin was doing?" Apparently it is the policy of the Kremlin today that questions should be asked. Why that is so I am not sure. That is apparently what they want done.

Senators will wait a long time to see any good results from any funds which we may vote for Tito. If the Senator from Wyoming would be willing to modify his amendment so as to say that the President would have to determine that there had been no change in Russian policy, which makes it possible for Tito and Russia to be very close now, I might be willing to go along with the amendment.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. O'MAHONEY. I invite the Senator's attention to the language of the committee amendment on page 29, line 21. The President must find that Yugoslavia is independent of control by the Soviet Union. I think that covers everything the Senator is interested in.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. KNOWLAND. Mr. President, is further time desired?

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Is the pending amendment offered as a substitute for or as an amendment to the Bridges amendment, or is it offered as an amendment to the bill?

The PRESIDING OFFICER. The Chair advises the Senator from Louisiana that it is offered as a perfecting amendment to the language which the Bridges amendment proposes to strike out.

Mr. LONG. Therefore if the O'Mahoney amendment should prevail, the next vote would occur on the Bridges amendment, which proposes to strike out the entire section providing aid for Tito.

The PRESIDING OFFICER. The Bridges amendment proposes to strike out that language, whether amended by the perfecting amendment of the Senator from Wyoming or not.



Mr. LONG. Then this amendment is in no sense a substitute for the Bridges amendment?

The PRESIDING OFFICER. It is a perfecting amendment, not a substitute.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. If I recall correctly, the inquiry I addressed to the Presiding Officer at the very beginning was whether or not I could offer this amendment as a substitute for the Bridges amendment, and the ruling of the Chair was that I could.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. The previous occupant of the chair gave a different answer to the query of the Senator from Vermont [Mr. FLANDERS]. When he propounded his inquiry, the reply of the Chair was that it was a substitute.

Mr. O'MAHONEY. Mr. President, let us have the parliamentary ruling of the Chair at the present moment, so that we may proceed.

The PRESIDING OFFICER. The Chair rules that the O'Mahoney amendment is a perfecting amendment to the language of the committee amendment which the amendment of the Senator from New Hampshire proposes to strike out.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Accepting the ruling of the Chair, am I correct in understanding that my amendment will be voted upon by the yeas and nays as a perfecting amendment to the committee amendment, and that, if it prevails, the vote will then occur upon the amendment of the Senator from New Hampshire to strike out everything after the word "unless", which would include the perfected amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. O'MAHONEY. In that event, Senators who wished to have the perfected amendment prevail would vote "nay" on the Bridges amendment?

The PRESIDING OFFICER. Senators who are in favor of the O'Mahoney amendment would vote "yea."

Mr. O'MAHONEY. At this stage, certainly. I understand that.

The PRESIDING OFFICER. The Chair cannot anticipate what the vote will be.

Mr. KNOWLAND. Mr. President, we must take one step at a time. I understand that the first vote will come on the O'Mahoney perfecting amendment.

The PRESIDING OFFICER. The first vote will come on the O'Mahoney amendment.

Mr. KNOWLAND. And when that has been disposed of the question will be on agreeing to the Bridges amendment, upon which the yeas and nays have been ordered?

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. Does the Senator from New Hampshire desire some time?

Mr. BRIDGES. I should like about 3 minutes.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. What is the time situation on both sides?

The PRESIDING OFFICER. The Senator from Wyoming has 7 minutes remaining, and the Senator from California has 20 minutes.

Mr. KNOWLAND. I yield 5 minutes to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, the amendment of the distinguished Senator from Wyoming, which his characteristically versatile mind has produced at the last minute, actually is not far different from the committee amendment. True, he requires the President to report to the Congress. That requirement would not have much significance however, because I assume the Congress will not be in session at the end of the 90-day period.

He requires the President to furnish a report to the Congress giving his reasons for the continuance or discontinuance of aid to Yugoslavia. The committee amendment, in substance provides that the President must make a determination on the question of continuing aid to Yugoslavia without making a report. Therefore, in effect, the O'Mahoney amendment is not far different from the committee amendment. The Senator from New Hampshire is not challenging the amendment of the Senator from Wyoming on the ground that it is a good amendment or a bad amendment, but he points out that it does not differ substantially from the committee amendment. The Senator from Wyoming merely adds certain obligations, one of which is that the President shall report to Congress. I state again that there is not much point to that provision, because Congress will not be in session 90 days from now. I do not know what action we could take in that case. The Senator from Wyoming would be in Wyoming. The Senator from Alabama would be in Alabama, the Senator from California would be in California, and other Senators probably would be in their home States. I do not see what could be accomplished by the amendment. It is not a harmful amendment, but I cannot agree that a great deal of good would be accomplished by it.

Mr. PASTORE. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I am glad to yield to the distinguished Senator from Rhode Island.

Mr. PASTORE. As a matter of fact, we are calling upon the President to determine what we already know. In other words, we are asking the President to make the determination whether or not the brand of communism in which Tito is indulging has for its purpose world conquest. As a matter of fact we know that to be so. We can say so now.

Mr. BRIDGES. That is correct. I believe the issue would be much clearer if we could get a vote on the amendment

which I have offered. There cannot be too much uncertainty about this question.

I quote from a newspaper article of June 12, 1956:

Tito told a cheering crowd of Russians that Yugoslavia and the Soviet Union "must march shoulder to shoulder toward the victory of socialism."

I quote from a statement made by Marshal Zhukov, in which he said: "The Kremlin and Marshal Tito will fight shoulder to shoulder."

The question of where Tito and Yugoslavia stand should be clear to everyone. We have spent a billion dollars in Yugoslavia and the result is a honeymoon in Moscow between Tito and the Russian rulers. That is what we have accomplished. The Senator from New Hampshire is willing to take a calculated risk but in doing so he feels there should be some reasonable expectation of success.

When I hear Senators say, "Yugoslavia may be already in the Russian orbit," I conclude that the chances of that calculated risk becoming successful have diminished to a great extent even to the vanishing point.

I hope the amendment offered by the distinguished Senator from Wyoming will be voted down. There is little point to it because there seems to be little difference between it and the committee amendment. In fact, I believe the committee amendment is the more desirable of the two. However, the real issue and the only issue is on the amendment offered by the Senator from New Hampshire. The question to be decided is whether we will continue to furnish military aid to a Communist power which has unmistakably oriented itself with the Kremlin.

I hope the amendment of the Senator from Wyoming will be defeated so that we can vote on the straight issue of the Bridges amendment.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Does the Senator from New Hampshire desire to use any additional time?

Mr. KNOWLAND. Is any additional time desired on this side, or in opposition to the amendment?

Mr. PASTORE. Mr. President, will the Senator yield me 1 minute?

Mr. KNOWLAND. I yield 1 minute to the Senator from Rhode Island.

Mr. PASTORE. I intend to vote for the O'Mahoney amendment, because I think it is an improvement on the committee amendment. However, after I vote for it, I expect to vote for the amendment which has been offered by the Senator from New Hampshire, because I think that is a more direct approach and because it assumes courageously a responsibility which I think is the responsibility of Congress. We know what communism is. We know it is an international conspiracy. We ought to have the courage to stand up and say so now, without passing the buck to the President of the United States to determine it.

Mr. KNOWLAND. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Wyoming is prepared to do so also.



Mr. HUMPHREY of Minnesota. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY of Minnesota. Mr. President, I wish to make a comment. We recognize that Mr. Tito is a Communist. I recognize that communism is evil. However, I should like to say to my good friends in the Senate that the Senate has been voting aid to Tito as a Communist right along. I did not vote for aid to Tito at the initiation of the program.

I wish to say that the comments made by the Senator from New Hampshire were made in the committee on Foreign Relations and that the Secretary of State disputed those comments. The Secretary of State said those comments were not accurate. Furthermore, he said that some of the comments of Marshal Zhukov were embarrassing to Marshall Tito.

Whom are we to believe? If I, as a Senator, have been misled by the State Department and by the President's representatives, then I say things have come to a sad juncture indeed. I understand that the Secretary of State not only came before the Foreign Relations Committee but that he went also to the Republican Policy Committee and said the same thing. It seems a little peculiar to me that after those visits some of us should have to stand on the floor of the Senate and defend the Secretary of State.

I am about ready to join the Senator from Rhode Island [Mr. PASTORE]. I am about ready to accept what I believe in my heart, and what I believe to be true; namely, that this man Tito is an evil dictator. However, the President, through his agent, says, "Senator HUMPHREY, don't you do this to me. I am your Commander in Chief. I am in charge of the foreign policy of the country. Give me the benefit of the doubt. Don't tie my hands. This is a sensitive matter."

What is a Senator to do? Is he to stand on his honor to do his patriotic duty, or to listen to press reports, or to yield to his passions and emotions? Then he is confronted with the President's top man, his No. 1 man, John Foster Dulles, saying, "Give the President the leeway that is contained in the bill."

Mr. President, we were told that the President and the Secretary of State knew communism and knew how to fight it and how to conduct the foreign affairs of the country. I am willing to give them a chance.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from Rhode Island.

Mr. PASTORE. Does not the Senator realize that those representations may be another "march to the brink"?

Mr. HUMPHREY of Minnesota. If so, they will provide another good issue for Life magazine.

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from Louisiana.

Mr. LONG. Mr. President, as a member of the Committee on Foreign Relations, I should like to make this point clear. Although the hearings of the committee were held behind closed doors, there is not one argument that was presented in committee which has not been put forth on the floor of the Senate in public. The issue has been fully discussed on the floor of the Senate.

Although the record of what transpired in committee is not available to the public, I assure Senators they have heard the exact argument that the Secretary of State made before the committee.

If the Secretary of State had told the junior Senator from Louisiana, "Senator, there are some secret things about which not even to the Foreign Relations Committee can be told," I would have been willing to go along with him and take his word for it.

However, he was willing to lay it right on the record, and Senators on the floor of the Senate have heard every argument that was made in committee. We were told, "If you do not give Tito this money, we are afraid that Tito will join the Russians, and we are afraid that he has already joined them." In effect it meant to me: "Give Tito the money because we cannot trust him. He may have joined the Russians already. However, we are afraid that he will join the Russians, if he has not joined them already, and not giving him the money will make him more inclined to join them."

That is the argument that was made in committee. If Senators wish to vote money to that man, and if they wish to give more millions of dollars to him on that basis, they can do it.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. KNOWLAND. Mr. President, I yield two minutes to the Senator from Minnesota.

Mr. HUMPHREY of Minnesota. Mr. President, I say to the Senator from Louisiana [Mr. LONG] that we are not giving money. The bill provides that there shall be no money given to Tito unless the President of the United States finds the existence of certain facts. What we are really saying is that the President of the United States apparently needs a little time and the Secretary of State needs a little time to decide whether or not Mr. Tito has turned out to be a first-class scoundrel or a second-class scoundrel. What we are asking for in the amendment is to give the President and his State Department, the National Security Council, the Central Intelligence Agency, and our embassies enough time to evaluate this whole situation.

I may say for the record that a year ago the State Department did cut off funds and supplies from Tito. That is what we are told. I do not believe this information ought to be kept secret. We ought not to legislate in the dark. The Senator from Louisiana is correct, that everything the Secretary of State has said in committee has been repeated on the floor of the Senate at least 2 or 3 times. I emphasize that the Secretary of State said, "Don't you do this to me." He said, "This is a very dangerous and

sensitive matter. I ask you to give us a chance to work this out."

That is exactly what the bill provides. If the Secretary of State had not pleaded in that plaintive voice of his, and if he had not also pleaded with the Republican Policy Committee, I would be glad to cut off all aid to Tito.

Mr. MORSE. Mr. President, we are speaking as if the State Department were acting at the present time in a vacuum. Some of us know, as members of the Foreign Relations Committee, that the Secretary of State considers that what has been transpiring between Tito and Russia is a matter of very delicate diplomatic concern to the United States. At the present time our diplomatic representatives are carrying on negotiations with Yugoslavia. What we shall do if we adopt the amendment is to cut off the negotiations, in effect. There will be only one place for Tito to go, and that will be into the Russian orbit. We should be willing, at least, to run the risk for 90 days of continuing foreign aid until the President of the United States can look into this entire matter and reach a decision.

We should not be overlooking the Yugoslavian people, because so long as we stand with them we have a chance to support dissident groups in Yugoslavia if Tito should try to lead them completely into the arms of the Russians. I do not think we ought to let down the Yugoslavian people or overlook the great asset we have and the alliance we have with the people of Yugoslavia when it comes to a common Christian faith. I think that happens to be the greatest weapon we have against communism in Yugoslavia. But if we adopt the Bridges amendment, in my judgment, we shall bring to an end all the hope we have of our State Department working out satisfactory diplomatic relations with Tito. Furthermore, I think we will do great injury to the morale of the people of Yugoslavia. As long as the church doors of Yugoslavia remain open there is hope for the cause of freedom in Yugoslavia. If we decide here tonight to end all aid to Yugoslavia I think we may start a reign of Communist terror in Yugoslavia that will weaken the morale of fellow Christians in Yugoslavia. I grant that Tito's recent conferences with the Russians spell no good. However, I refuse to believe that all hope is lost for eventual freedom in Yugoslavia. I am going to support the request of the State Department and the President on this very serious foreign policy issue.

Mr. KNOWLAND. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Wyoming has 7 minutes remaining, and the Senator from California has 8 minutes remaining.

Mr. KNOWLAND. Mr. President, I yield 2 minutes to the Senator from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. President, I simply wish to say that I think the amendment offered by the Senator from Wyoming is a strengthening amendment. I am prepared to support the Senator on his amendment.

Furthermore, when we have disposed of the amendment, which changes the



section with which we are dealing in the bill, I understand that the Senator from New Hampshire will present his amendment.

Is that a correct statement, Mr. President? I ask that as a parliamentary inquiry. I understand the Senate will vote, first, on the O'Mahoney amendment.

The PRESIDING OFFICER. That is correct.

Mr. SMITH of New Jersey. And when that is disposed of, it is my understanding that the amendment of the Senator from New Hampshire, directed at the language in the bill, will be voted on.

The PRESIDING OFFICER. The language of the committee amendment as amended by the O'Mahoney amendment, if that amendment is agreed to.

Mr. O'MAHONEY. Mr. President, I confess that I am very much puzzled by the remarks I hear from the Republican side of the Chamber, save those which have just been uttered by the distinguished Senator from New Jersey [Mr. SMITH].

I hear voices say over there, "You are passing the buck to the President."

Who are these Republican Senators who refuse to "pass the buck" to the President? Does not the Constitution of the United States vest in the President the control of the foreign policy of the United States? Has not that been held over and over again by the courts of the United States, up to the Supreme Court? And yet Senators rise on the other side of the aisle and say, "When you ask the President to submit a written report you are passing the buck to him."

Why, Mr. President, the Senators are rationalizing their position. The present President of the United States is carrying out a policy with respect to Yugoslavia which was initiated before he became President.

What my amendment does is to ask the President to make a report that he finds not only that Yugoslavia is not under the control of Soviet Russia, not only that the situation in Yugoslavia has not been altered since we first granted aid in order to protect Greece, Turkey, and other nations around the periphery which the Soviet Government was trying to gobble up, but we also ask the President to make his report in writing to the Congress that Yugoslavia does not adhere to any policy for the Communist control of the world, and that it is in the interest of the United States to do this thing.

What we are saying, through this amendment, I would say to my Republican friends who, I see, are smiling, "Have faith in your President. Have faith that when he sends the written report to the Congress he will be adhering to his oath of office to carry out the law."

Mr. BRIDGES. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. In a moment. The Senator has had his time.

This will be the law, that he shall make a report finding that Yugoslavia is not a tool of Soviet Russia.

That answers every argument which has been made in support of the amendment of the senior Republican Senator,

the man who has served in the Senate longer than has any other Republican Senator upon the floor, the Senator from New Hampshire [Mr. BRIDGES].

The President will also have to find that Yugoslavia is not adhering to any Communist policy. How will he find that? He will find it by negotiation of some kind, and when he reports he will do so as the man whom the Republicans want to run for President and the man who is now their President. Do they not believe in him?

They argue as if they had no faith in him. They argue as though their only purpose in adhering to the President of the United States is to make him a symbol to carry along the unthinking vote of the people, to carry the conservative Republicans into power again.

Mr. SPARKMAN. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. SPARKMAN. With reference to passing the buck to the President, I am sure the distinguished Senator from Wyoming is familiar with the letter which is set forth in the report at pages 16 to 18 in which the Secretary of State, Mr. John Foster Dulles, repeatedly says that this is the wish of the President. In one paragraph he says:

Within the past 6 months, the executive branch of this Government, with the participation of the President, has reviewed the question of United States policy toward Yugoslavia, and both the programs now being implemented and those proposed in the mutual security bill before your committee are consonant with and in support of the national policy thus established.

In the closing paragraph he says this:

It is my hope, however, which I know the President has shared, that the Congress will not want to deprive us of the instrumentalities and funds whereby the executive branch will be enabled to pursue the flexible policy toward Yugoslavia which is needed to counter the present Soviet drive to retrieve its own failure in Yugoslavia since 1948.

Mr. O'MAHONEY. I thank the Senator from Alabama. I may add that I do not wish to be responsible for killing an opportunity for the President of the United States to work out a possible solution, if it can be done; but I ask that he report to the United States Congress.

I may say too, that when other amendments which I have had printed, and which are lying on the table, are called up, it will be made clear that I also want every officer and employee of the Government of the United States who is engaged in the administering of the act to answer the questions of the authoritative committees of Congress, which is something those officers and employees have not been doing.

I want to hold up high the power of Congress. I am passing no buck to the President of the United States, although my friend from New Hampshire is expressing his deep lack of faith in the symbol of the GOP.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. KNOWLAND. I yield 3 minutes to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, at one time the Senator from Wyoming talks as if he is willing to pass the buck to the President of the United States; the next time he speaks he talks as if he did not have faith in the President of the United States. Let me say I yield to no one in my regard, affection and faith in the President.

The committee amendment provides that the President shall certify. That is enough.

Mr. O'MAHONEY. The Senator from New Hampshire is mistaken.

Mr. BRIDGES. The Senator from Wyoming says the President must give his reason.

Mr. O'MAHONEY. The bill says that the President shall only "find"; it does not say he shall "certify."

Mr. BRIDGES. "Find"; that is enough; it has the same import. But the Senator from Wyoming wants to spell it out in fancy language. Perhaps he will want to supply the President with a dictionary, so as to make sure that the President spells out all the words to Congress.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BRIDGES. No. The Senator would not yield to me, so I will not yield to him.

The Senator from Wyoming talks about the giving of military aid to another country. He talks in general about aiding foreign powers. Why does he not get the Constitution of the United States and read it? If he can find anything in the Constitution about the President having the sole right to determine the giving of military aid to another country, I should like to see it. The Constitution provides that Congress shall have the final determination of that so why is not this the time to decide it right here and now?

The issue will be clear on the amendment offered by the Senator from New Hampshire. I would have the hope that once the amendment of the Senator from Wyoming has been defeated, the Senator from Wyoming, when the roll is called, will answer "yea" to the clear issue presented by the amendment of the Senator from New Hampshire.

Mr. KNOWLAND. Mr. President, I am prepared to yield back the remainder of my time.

Mr. O'MAHONEY. My time has expired.

Mr. KNOWLAND. I yield back the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from California yields back the remainder of his time. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bush	Douglas
Alloft	Butler	Duff
Anderson	Byrd	Dworshak
Barrett	Carlson	Eastland
Beall	Case, N. J.	Ellender
Bender	Case, S. Dak.	Ervin
Bennett	Clements	Flanders
Bib'ie	Cotton	Frear
Bricker	Curtis	Fulbright
Bridges	Dirksen	George



Goldwater	Kuchel	Payne
Gore	Langer	Potter
Green	Lehman	Purtell
Hayden	Long	Robertson
Hennings	Magnuson	Russell
Hickenlooper	Malone	Saltonstall
Hill	Mansfield	Schoeppel
Holland	Martin, Iowa	Scott
Hruska	Martin, Pa.	Smathers
Humphrey,	McCarthy	Smith, Maine
Minn.	McClellan	Smith, N. J.
Humphreys,	McNamara	Sparkman
Ky.	Millikin	Stennis
Ives	Monroney	Symington
Jackson	Morse	Thye
Johnson, Tex.	Mundt	Watkins
Johnston, S. C.	Murray	Welker
Kennedy	Neuberger	Williams
Kerr	O'Mahoney	Wofford
Knowland	Pastore	Young

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. DANIEL], the Senator from Tennessee [Mr. KEFAUVER] and the Senator from West Virginia [Mr. LAIRD] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. Do I correctly understand that regardless of the result of the vote on the O'Mahoney amendment there will later be a vote on the Bridges amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. CASE of South Dakota. Have the yeas and nays been ordered on the Bridges amendment?

The PRESIDING OFFICER. The yeas and nays have not been ordered on the Bridges amendment.

Mr. BRIDGES. Mr. President, I ask for the yeas and nays on the Bridges amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered on the O'Mahoney amendment, the clerk will call the roll.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. ALLOTT. In the event the O'Mahoney amendment should prevail, and in the event the Bridges amendment later should prevail, would the effect of the Bridges amendment be to strike out all of the provisions of the section from line 18 to line 25, inclusive, including the O'Mahoney amendment?

The PRESIDING OFFICER. The Senator is correct. The Bridges amendment would strike out the language which the O'Mahoney amendment proposes to modify.

The clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. DANIEL], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from West Virginia [Mr. LAIRD] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Texas [Mr. DANIEL] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Texas would vote "nay" and the Senator from Tennessee would vote "yea."

I further announce that if present and voting, the Senators from West Virginia [Mr. LAIRD and Mr. NEELY] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent and, if present and voting would vote "nay."

The Senator from Wisconsin [Mr. WILEY] is absent on official business, and, if present and voting, would vote "nay."

The result was announced—yeas 52, nays 36, as follows:

## YEAS—52

Anderson	Hennings	McNamara
Barrett	Hill	Monroney
Bennett	Holland	Morse
Bible	Humphrey,	Murray
Carlson	Minn.	Neuberger
Case, N. J.	Humphreys,	O'Mahoney
Case, S. Dak.	Ky.	Pastore
Clements	Ives	Payne
Douglas	Jackson	Purtell
Duff	Johnson, Tex.	Robertson
Eastland	Kennedy	Russell
Ellender	Kerr	Scott
Ervin	Kuchel	Smathers
Fulbright	Lehman	Smith, N. J.
George	Long	Sparkman
Gore	Magnuson	Stennis
Green	Mansfield	Symington
Hayden	McClellan	Wofford

## NAYS—36

Aiken	Dworshak	McCarthy
Allott	Flanders	Millikin
Beall	Frear	Mundt
Bender	Goldwater	Potter
Bricker	Hickenlooper	Saltonstall
Bridges	Hruska	Schoeppel
Bush	Johnston, S. C.	Smith, Maine
Butler	Knowland	Thye
Byrd	Langer	Watkins
Cotton	Malone	Welker
Curtis	Martin, Iowa	Williams
Dirksen	Martin, Pa.	Young

## NOT VOTING—8

Capehart	Jenner	Neely
Chavez	Kefauver	Wiley
Daniel	Laird	

So Mr. O'MAHONEY's amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from New Hampshire [Mr. BRIDGES], to strike from the committee amendment all after the word "section" in line 18, on page 29, down to and including the word "Act" in line 25, as amended by the amendment of the Senator from Wyoming [Mr. O'MAHONEY].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. DANIEL], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from West Virginia [Mr. LAIRD] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Texas [Mr. DANIEL] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Tennessee would vote "nay."

I further announce that if present and voting, the Senators from West Virginia [Mr. LAIRD and Mr. NEELY] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate, for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent. If present and voting, he would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is absent on official business. If present and voting, he would vote "yea."

The result was announced—yeas 38, nays 50, as follows:

## YEAS—38

Anderson	Ervin	McClellan
Barrett	Flanders	Millikin
Bible	Frear	Mundt
Bricker	Goldwater	Pastore
Bridges	Hruska	Potter
Butler	Johnston, S. C.	Schoeppel
Byrd	Kerr	Smith, Maine
Case, S. Dak.	Knowland	Symington
Cotton	Langer	Welker
Curtis	Long	Williams
Douglas	Magnuson	Wofford
Dworshak	Malone	Young
Eastland	McCarthy	

## NAYS—50

Aiken	Hickenlooper	Morse
Allott	Hill	Murray
Beall	Holland	Neuberger
Bender	Humphrey,	O'Mahoney
Bennett	Minn.	Payne
Bush	Humphreys,	Purtell
Carlson	Ky.	Robertson
Case, N. J.	Ives	Russell
Clements	Jackson	Saltonstall
Dirksen	Johnson, Tex.	Scott
Duff	Kennedy	Smathers
Ellender	Kuchel	Smith, N. J.
Fulbright	Lehman	Sparkman
George	Mansfield	Stennis
Gore	Martin, Iowa	Thye
Green	Martin, Pa.	Watkins
Hayden	McNamara	
Hennings	Monroney	

## NOT VOTING—8

Capehart	Jenner	Neely
Chavez	Kefauver	Wiley
Daniel	Laird	

So the amendment offered by Mr. BRIDGES, for himself and other Senators, to the committee amendment, as amended, was rejected.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The committee amendment is open to further amendment.

Mr. LONG. Mr. President, on behalf of my senior colleague [Mr. ELLENDER] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.



The CHIEF CLERK. At the end of the committee amendment it is proposed to add a new section, as follows:

SEC. —. Notwithstanding any other provision of this act, the total appropriation made under authority of this act (including unobligated and unreserved funds continued available) shall not exceed \$2,765,875,000.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Louisiana wishes the yeas and nays on his amendment, they can be ordered at this time.

Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. JOHNSON of Texas. It is not anticipated that all the time against the amendment will be used. I assume the author of the amendment will wish to use all the time allotted him, and perhaps some additional time. However, we hope to vote on the pending amendment, and then suspend until tomorrow.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 30 minutes.

Mr. LONG. Mr. President, before addressing myself to my amendment, I wish to express my great admiration for the chairman of the Senate Committee on Foreign Relations, our President pro tempore and dean of the Senate, the distinguished and able senior Senator from Georgia [Mr. GEORGE]. The Senator from Georgia has exceeded every other Member of this body in his years of service here, and the calibre of his service has no been exceeded by that of anyone who has served with him during the past 34 years.

While I would differ with my friend, who is much beloved by all of us, I wish to make it clear that my objective is the same as his. I share his deep desire to preserve and protect this Nation. I likewise agree with him that we should have a foreign-aid program. It has always been my view that much of the expenditures under the foreign-aid program have been wasteful and excessive. In some cases, expenditures have been unnecessary, and, I fear, even foolhardy. But those are the risks that we must take in a program of such magnitude, involving so many foreign nations whose characters and backgrounds are so different from ours.

Since the day I entered this body, I have believed steadfastly that our expenditures for foreign assistance were excessive and that we could obtain as much results with a lesser expenditure of funds. In some instances, the distinguished senior Senator from Georgia has been my leader in this point of view.

I followed his leadership when he voted to reduce the first appropriation for mutual defense by one-half. As a matter of fact, it was his amendment. At that time, I recall that the senior Senator from Georgia had such doubts about the program, particularly about the large amount that was to be spent in view of the limited information available to support the plan, that he voted against the entire project. I cast the same vote.

During the intervening years, I have voted to support the foreign-aid program. I have consistently voted for reductions and economies in that pro-

gram. Last year was the second time that I voted against final passage of the mutual security bill. I did so because I felt that the amount being appropriated was excessive. I hope that I shall not be compelled to vote against the pending measure for the same reason.

My attitude toward this matter is rather simple. To me the question is not one of whether we should have a foreign-aid program. It is a question of how much money we should appropriate. It is the decision of Congress, and it will be the decision of the Executive to distribute the funds that we appropriate, using the great amount of flexibility available to the Executive in connection with this program.

I am one of those who was led to believe that this administration had adopted a policy of gradually reducing expenditures for foreign-aid purposes on the theory that after we had given a reasonable amount of arms to our friends and allies, we could expect the program to fall off in dollar volume to one that was well within the ability of the American taxpayer to stand over a long period of time. The conduct of the Eisenhower administration certainly gave us reason to anticipate that this would be the case.

I ask unanimous consent to place in the RECORD at this point a tabulation of the past appropriations, expenditures, and unexpended balances at the end of each fiscal year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Mutual-security program—Appropriations and expenditures*  
[In millions of dollars]

Fiscal year	Appropriations	Expenditures	Unexpended balance at end of fiscal year
1948-49.....	6,386.8	4,540.6	1,837.2
1950.....	5,173.2	3,488.7	3,521.7
1951.....	7,359.4	3,735.8	7,145.3
1952.....	7,282.3	4,532.5	9,895.1
1953.....	6,011.9	5,722.7	10,062.6
1954.....	4,723.9	4,875.4	9,564.6
1955.....	2,804.5	4,264.3	7,932.5
1956.....	2,703.5	13,770.0	16,877.7

<sup>1</sup> Estimated.

Mr. LONG. Mr. President, I have asked that there be placed on each Senator's desk a copy of the same table, demonstrating what the appropriations have been through the years.

Senators will note that the amount appropriated for the foreign aid program has been steadily reduced, commencing in the year 1951 through the year 1956. Expenditures for foreign aid purposes reached their peak in the year 1953. Those expenditures have steadily declined through the year 1956. Unexpended balances for foreign aid purposes reached their peak in the fiscal year 1953 when the unexpended balance amounted to \$10,062,600,000. Since that date, the unexpended balance has declined to an estimated balance of \$6,887,700,000.

Now we are faced with the question, Mr. President: Are we going to continue the trend of a gradual reduction of expenditures for foreign aid purposes—a trend which has been going on for the

past 3 years, or do we now propose to reverse ourselves and step up the rate of our foreign aid expenditures? Are we going to continue to reduce the billions of dollars of unexpended billions carried over from year to year or are we going to start building up those unexpended billions again?

Last year the fight was made to reduce the amount of funds requested by the President for foreign aid purposes. Some of us stood here on this floor and pointed out that if the administration's request were granted, the amount of appropriations for foreign aid purposes would greatly exceed the amount which had been appropriated in the previous year. After a bitter fight in both Houses, both on the authorization bill and the appropriation bill, we were eventually successful in reducing the foreign aid appropriations to a figure below that which we appropriated in the year 1955.

Now the same issue is presented. Recognizing the tremendous pressure of the administration for increasing the rate of foreign aid appropriations, I am not attempting to hold our authorization at a figure below that which we appropriated last year. I am only urging that we hold the appropriation to a precise figure that the Congress appropriated for the foreign aid program last year. That figure is \$2,765,875,000.

If my amendment should prevail, I am positive that it will do no harm to the overall program. It will simply indicate that we are not going to expand our rate of foreign aid, and that we are anticipating a gradual reduction of our foreign-aid spending in the future. It would result in a further decline of the unexpended balance that would be on hand at the end of the next fiscal year.

The figures furnished me by our committee indicate that expenditures for foreign aid this year will run \$3,770,000,000. Assuming that my amendment should carry, the administration will start the fiscal year with \$9,643,575,000 of unexpended funds. If expenditures during fiscal 1957 should be exactly the same figure as fiscal 1956, then on June 30 of next year the unexpended balance would amount to \$5,873,575,000. The administration would be left with a flexibility to spend this vast sum of cash, roughly \$10 billion, with a great amount of flexibility and discretion. The administration would be requested to make reductions in the military and economic aid program in those areas where it felt the reduction could best be made.

If the Appropriations Committee should so desire, it could make certain of these reductions for the administration by pinpointing certain items which have the least justification and reducing them.

The witnesses that go before the Appropriations Committee for the administration could be asked to advise the Congress wherein reductions could best be made, looking at the entire broad swath of the program.

There is no reason why the adoption of this amendment should alarm or upset any of our allies. It does not say to them that we are pulling out of NATO. It does not say we are liquidating our military



obligations. It says merely that we are continuing our foreign-aid program to friendly nations situated around the earth at the same rate of appropriations as last year. It further says that we expect to continue to reduce our unexpended balances which reached their peak during the Korean war.

As a matter of fact, the adoption of this amendment does not necessarily mean that the administration would spend 5 cents less for foreign aid this year than it spent last year. For that matter, it could spend substantially more. All it means in the last analysis is that the unexpended balance, as of June 30 next year, will be less than the unexpended balance as of the present date.

Mr. President, in view of my feeling that our expenditures for foreign aid have been excessive in the past and that a considerable number of the proposals are excessive at the present time, I shall express myself with regard to certain of the items which, in my judgment, could very well be drastically reduced or even eliminated completely. The adoption of my amendment does not mean that this will happen. However, in view of my philosophy that the foreign-aid program should be reduced over a period of time, I should like to explain the reasons why certain of the proposed authorizations

appear to be greater than I believe necessary.

Mr. President, since the end of World War II this Nation has expended in foreign aid sums in excess of \$60 billion. In past years I have voted for a considerable portion of that figure. Every year, however, I have associated myself with that group of Senators who believe that the spending for this purpose is excessive, and that the amounts appropriated for this purpose should be reduced. It is the feeling of many of us that in many instances our Nation has expended its funds to do for others that which they are perfectly capable of doing for themselves. I am willing to assist nations to provide for their own defense against Communist aggression when they are unable to provide it for themselves. I am unwilling to vote American funds to assist foreign powers to do for themselves that which they could, but refuse to provide, in their own defense. This draws the distinction between a proper military security program and a giveaway program which could deplete the resources of this Nation in useless and unnecessary expenditures.

I will support the foreign-aid bill which is presently before us if the sums available for that purpose are drastically

reduced, to provide assistance only for those who are not capable of providing adequately for their own defense. I will not support it if the present enormous figures are maintained to do for great numbers of nations those things which they are perfectly able to do on their own behalf. Looking at the bill before us, it provides more than \$700 million for European nations, in addition to the large balances of unexpended funds already available for those nations. For the most part those nations are entirely capable of paying their own way. The arguments made in prior years that we had to give necessary resources to those nations because they could not pay it themselves is no longer valid. The figures demonstrate, too, that during the past several years the nations of Europe have been accumulating cash balances of American dollars at a rate in excess of \$1 billion per year.

I ask unanimous consent to place in the RECORD at this point the table that appears on page 925 of the committee hearings which illustrate the steady increase of dollar balances on behalf of the nations of Europe.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Real value of gold and dollar reserves, 14 European countries, 1938, 1953-55*

Country	1938		1953			1954			1955		
	Reserves, Dec. 31 (million dollars)	Months imports covered by reserves	Reserves, Dec. 31 (million dollars)		Months imports covered by reserves	Reserves, Dec. 31 (million dollars)		Months imports covered by reserves	Reserves, Dec. 31 (million dollars)		Months imports covered by reserves
			Current prices	Constant prices <sup>1</sup>		Current prices	Constant prices <sup>1</sup>		Current prices	Constant prices <sup>1</sup>	
Austria.....	46	2.3	238	117	5.2	329	164	6.0	324	159	4.4
Belgium-Luxembourg.....	828	12.7	1,098	538	5.4	1,039	517	4.9	1,198	587	5.1
Denmark.....	60	2.0	127	62	1.5	102	51	1.1	91	45	.9
France.....	2,952	26.9	1,048	514	3.0	1,358	676	3.7	2,034	997	5.2
Germany.....	219	1.2	1,225	600	3.9	1,998	994	5.2	2,374	1,164	4.9
Iceland.....	1	1.1	9	4	1.6	10	5	1.7	10	5	1.5
Italy.....	216	4.4	814	399	4.1	927	461	4.6	1,133	555	5.0
Netherlands.....	1,057	16.3	980	480	5.0	1,045	520	4.5	1,065	522	4.0
Norway.....	99	4.1	171	84	2.3	148	74	1.7	124	61	1.4
Portugal.....	86	10.1	469	230	17.1	559	278	19.1	602	295	18.1
United Kingdom.....	3,316	8.8	2,518	1,234	3.2	2,762	1,374	3.5	2,120	1,039	2.3
Spain.....	( <sup>2</sup> )	( <sup>2</sup> )	150	74	3.0	188	93	3.7	221	108	4.3
Yugoslavia.....	57	6.0	20	10	.6	23	11	.8	29	14	.8
Total, 14 countries.....	\$ 8,937	\$ 9.5	8,867	4,346	3.8	10,488	5,218	4.1	11,325	5,551	3.9

<sup>1</sup> Adjusted by United States export prices, index 1936-38-100.

<sup>2</sup> Not available.

<sup>3</sup> Excludes Spain.

Mr. LONG. Mr. President, we have discussed the item involving aid to Yugoslavia. I believe that has been reasonably fully covered.

There is a large sum in this bill far in excess of \$100 millions for military aid to Japan. Once again, Japan is a nation fully capable of providing her own arms. Japanese industry has recovered from wartime destruction with American economic aid and assistance to the extent that our textile industry is now clamoring for relief from the expanding quantities of Japanese imports. Throughout the world Japan is seriously challenging all the major trading powers. If Japan is genuinely interested in a program for mutual security, then Japan can easily provide for herself everything that is programmed for delivery to that country. Otherwise, Japan could pay in its own currency and that currency could be used

to finance much of our economic aid program for Korea, Vietnam, or Taiwan.

A large portion of the funds requested in this bill are for Pakistan. Here we find that we are creating a serious problem for ourselves in our dealings with Indians. If we ship huge quantities of arms to Pakistan, the Indians become less and less friendly with us. They feel the arms will be used not to fight the Russians, but to fight Indians over the disputed Kashmir territory.

I would not question the necessity of large sums provided in the present bill for economic aid to Korea, Taiwan, Vietnam, Cambodia, and Laos. However, I very much doubt that the full amount of those funds are necessary.

Certain arguments made in support of this program should be better understood. In the first place, let us consider the argument that our aid to these many

countries serves as defense of the United States. The statement has been made here that non-Communist powers have over 200 divisions which have received help from our foreign-aid program. Without questioning the accuracy of the statement, we should recognize that we have no assurance that any substantial portion of these divisions will be fighting on our side in the event that we should become involved in a war with the Soviet Union. For example, if the explosive situation in Formosa should develop into an all-out war with the use of atomic weapons, there is no reason to anticipate that any of our European allies would come to our aid. Nor could we expect Japan, Pakistan, or the SEATO powers to enter the struggle.

If the dangerous situation in Vietnam should develop into an all-out war, we have no reason to believe that any more



than perhaps 15 percent of the arms we have given foreign nations will be employed in opposing the Communists. The same thing is true of Korea and Japan.

If our Intelligence Service should acquire proof beyond doubt that the Russians were about to attack us with an all-out assault using hydrogen bombs, and we should decide to strike their bases before they could destroy us, there is no reason to anticipate that any substantial number of these 200 divisions would be employed in our defense.

In other words, we have provided assistance to friendly nations to encourage them to defend themselves. We have no guaranty that these nations will come to our aid in the event that we are compelled to fight the only military power on earth that has the capabilities to engage us in a protracted struggle.

Only yesterday the Senate voted to appropriate even more funds for our Strategic Air Command than the administration thought necessary or advisable. While I supported the administration's position on that vote, I would be the first to agree that most of the foreign powers would rather see these funds spent in building American air power than spent in doing for a score of other nations things which they are well capable of doing for themselves. For example, I should imagine that the Chinese Nationalist Government on Taiwan would much have preferred that we spend an additional billion dollars in air power than to have seen us spend an additional billion dollars providing arms for Western Europe which Western Europe is capable of providing for itself. Those people know very well that American fighting power will be on their side in the event that war should break out in the Pacific. The same thing would be true of the Japanese, the Koreans, and every other power in Asia which is allied to the United States. Likewise, I should imagine that many countries of Europe associated with the free world would prefer to see America build its own defenses and its retaliatory power in priority to many of the expenditures we are making in the Asiatic area.

Nor can I agree with the argument that we abandon world leadership if we amend our foreign program to require that it make better sense. The statements that we will assist nations to provide for their own defense when they are unable to do so should be accompanied by the corollary that we will not assist nations to provide for their defense when they are fully capable of doing it for themselves.

The American people are right when they protest against a foreign policy which proceeds upon the assumption that other free human beings will not make sufficient sacrifice for their own defense.

If I tried to make a starting point for a mutual defense program, I would start with the statement of Daniel Webster, that the only persons who possess freedom are those who love it and are willing to fight for it. As an American, I would never vote to have a single American

boy killed fighting for the freedom of any people who were unwilling to make proper sacrifices for their own defense. Those who would not fight for their freedom are not much of a threat to us, no matter who possesses their bodies.

Mr. SMATHERS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield for a question.

Mr. SMATHERS. I should like to ask the Senator from Louisiana how much his amendment will cut from the recommendations of the committee?

Mr. LONG. The amendment would provide \$2,765,000,000 of new money this year, which would be approximately \$1,500,000,000 below the committee recommendations.

Mr. SMATHERS. How much money does the Senator say is now unexpended and in the pipeline going to these nations around the world?

Mr. LONG. It is \$6,887,000,000.

Mr. SMATHERS. Would it be a correct statement to say that if we adopt the Senator's amendment there would still be available to the nations around the world \$2,700,000,000, or whatever the sum is, plus the \$6 billion referred to by the Senator?

Mr. LONG. It would total almost \$10 billion as of June 30, this year.

Mr. SMATHERS. Have we spent any similar sum in the past 2 or 3 years?

Mr. LONG. No. As a matter of fact, last year we spent \$3,770,000,000, slightly more than a third of the amount of money available if this amendment should be adopted.

Mr. SMATHERS. The Senator is a member of the Foreign Relations Committee, is he not?

Mr. LONG. Yes.

Mr. SMATHERS. Did the Senator hear anything during the time of the taking of testimony of witnesses from the State Department that would indicate to him that there would be any great damage done to any of those countries if this particular amendment should be adopted?

Mr. LONG. I am sure the State Department would vigorously oppose this amendment. However, if expenditures continue at the present rate or at a rate much exceeding that amount, there would still be more than half of this amount of money available at the end of the next fiscal year. So, if we feel we should appropriate more at a later date, we can still do so. I would hope that the adoption of this amendment would be some indication that we have no intention of building up an additional dollar balance. The money to be appropriated this year amounts to almost a 70 percent increase over the amount appropriated for fiscal 1956.

Mr. SMATHERS. Is it the Senator's understanding that this program in which we have been indulging for close to 10 years is supposed to diminish each year rather than to increase?

Mr. LONG. That is the burden of my argument. I feel it should be gradually reduced, and I feel that a figure of \$10 billion as of the end of the year 1953, and which has now declined to \$6,887 million should be gradually reduced.

If we are trying to develop a new weapon and it takes a long time to get delivery, the weapons we are giving are already standard weapons which we have in stock in large quantities in this country, and for that reason I do not think it is necessary to build up a great unexpended cash balance.

Mr. SMATHERS. In other words we can appropriate the money which the Senator asks in his amendment and add that to the unexpended balance in the pipeline; and from the evidence, as the Senator heard it, that would make a sufficient amount to carry on the programs which are now going on in these foreign countries, and if money were needed thereafter we could provide for that particular necessity?

Mr. LONG. Yes. Assuming that the administration will spend as much money next year as it spent during this year, the effect of the amendment would be that next year, instead of having a balance of \$6,887,000,000, we would have an unexpended balance of \$5,800,000,000, which, of course, would be a tremendous amount of money to be carried forward into the future.

Mr. SMATHERS. I thank the Senator from Louisiana.

Mr. LONG. As I was saying, Mr. President, if a man has not the courage to fight for his own freedom, he is not a serious threat to me, even if he is on my enemy's team.

I am not for a moment suggesting that our European and Asiatic allies will not make the necessary sacrifices to provide adequately for their own defense. In fact, I am certain that given proper leadership they will respond. It is time we started emphasizing the fact that we are carrying a tremendous burden in Asia to resist Communist expansion, a burden which they are spared because of our tremendous sacrifices. It is time we make clear to them that the tremendous burden of our atomic stockpile and our long-range strategic bombers are available for their defense, spelling the difference between victory and quick defeat. It is time we emphasize to them the tremendous contribution we are making and make clear to them that the enormous contribution which we make requires that they should, in good faith, make a proportionate contribution. Most of the nations we are assisting are contributing a smaller portion of their gross national production to their own defense than this Nation which is not only paying its way but giving to help them.

A foreign-aid program which spends the resources of our country without driving fair bargains, without obtaining commitments from those whom we aid to assure us they will be our friends in times of adversity is not a wise approach to the expenditure of American funds, in the hope of preserving this Nation.

I have heard the statement made that it is much cheaper to maintain a foreign soldier than it is to maintain an American in uniform. Undoubtedly, that statement is true. However, that statement misleads the public. Those in charge of this program know as well as



I know, that many of those who are receiving our funds for foreign-aid purposes could not be counted on for a moment to fight if the Soviet Union decided to attack the United States. I cannot blame them too much. A war between the United States and the Soviet Union would be an atomic holocaust. The destruction and the casualties would be far beyond anything ever dreamed of in history. Any nation which has the privilege of sitting on the sidelines while America takes the casualties, the deaths, and destruction in the defense of freedom would be tempted to avail itself of that opportunity. It could be easily excused for doing so, if it were one of the enormous majority who have no atomic weapons. Few countries without atomic weapons will intervene in a war between two countries who possess nuclear weapons in vast numbers.

Those conducting this program recognize that the nations receiving our aid cannot be depended upon to come to our aid if we become involved in a major war. In that respect, we all know that the whole \$60 billion plus the \$10 billion more on its way, may not help us defend ourselves.

We are giving this aid so those countries will be better able to defend themselves if they fall prey to aggression. We well know that it is not likely that all these arms will be used on our side. It is possible that none of them will be used on our side.

That is the risk we take. That is why for years General Bradley and other high-ranking officers told us during the early years of the program that the funds spent in this program did not reduce by a dollar the funds necessary for our own defense. We must stay strong enough to confront the greatest military power on earth alone if necessary. To take the risk that our allies will save us if we permit ourselves to become incapable of adequately defending ourselves would be foolhardy indeed.

We are helping to arm foreign nation principally because we do not want to see their people and their resources captured by aggressors and eventually used against us. We want them to remain on our side, as allies if possible; as helpful friends if not allies.

That is our purpose in giving them more than \$60 billion of assistance since World War II. Yet the program should not be a one way street. We should not give them arms and economic aid merely because they will not do their share, even though they are able to do it.

It is true that the cost of maintaining a Japanese soldier is less than the cost of maintaining an American soldier. The cost of maintaining an Italian soldier, a French soldier, a Dutchman, a Belgian, or even an Englishman is less than the cost of maintaining an American soldier. Yet the fact of the matter is that every one of those countries is perfectly capable of maintaining their own soldiers.

The further fact of the matter is that we have a lot more to offer them than they have to offer us. Just to give a simple example, if I were a Belgian faced with the prospect of Russian aggression, I would know that I would have no chance whatever of successfully defend-

ing my freedom if my nation were standing alone. I would know that the United States of America is the last power on earth with which the Soviet Union would care to go to war, and I would direct my entire foreign policy toward obtaining an arrangement whereby the United States would agree to go to war in my defense provided I would go to war in the event the Soviet Union would commit suicide by attacking the United States directly. If I were clever enough to work out such an arrangement without having to agree to support the United States in the event that great Nation were forced to fight in the defense of freedom in Asia, I would feel I had driven a clever bargain, indeed. It would be something like giving a blade of grass in return for a barnful of hay.

Yet, Mr. President, our diplomats would take the attitude that, having given away the whole barnful of hay, they had made a good deal and that we had made such a fortunate arrangement we should now pay the expense of maintaining the Belgian forces, although that nation is completely capable of maintaining its own forces.

For many years our State Department had an easy excuse for its failure to drive a hard-headed bargain. Rather than place the international economic aid program on a loan basis, they contended those nations would never be able to repay. Therefore they contended that the money should be given, not loaned.

The PRESIDING OFFICER. The time of the Senator from Louisiana on the amendment has expired.

Mr. LONG. I ask the majority leader if he will yield me an additional half hour to enable me to finish my speech.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Louisiana 30 minutes on the bill.

Mr. BENDER. Mr. President, has the opposition any time on the amendment?

The PRESIDING OFFICER. The opposition has 30 minutes.

Mr. BENDER. Who is in control of the time of the opposition?

The PRESIDING OFFICER. The time in opposition to the amendment is in the control of the minority leader.

Mr. BENDER. I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Louisiana for an additional 30 minutes.

Mr. LONG. Looking from hindsight at the argument that the European nations could not afford to pay, we now see that those nations are accumulating dollar values at a rate exceeding \$1 billion every year. Still, once in a while, they will attempt to make the argument that the economic condition of those countries is such that they cannot afford to pay their way, notwithstanding the fact that their production is now 45 percent above prewar level.

This brings me to one of our historic mistakes in giving away \$17 billion to Europe under the Marshall plan. If Europe did not need the money badly enough to agree to repay it even in soft currencies when the war damages had been repaired, then they did not need it badly enough to justify our giving \$17 billion of the resources of our people.

The program for economic aid should become a loan program rather than a grant program. If we had used this good judgment in the beginning, we would have available over \$17 billion owed to us by the nations of Western Europe. If those nations did not have the dollars with which to pay it, it would have been reasonable for us to permit them to pay in their own currencies and to have used that vast quantity of funds to finance the economic development of the backward and less fortunate countries of Africa, Asia, and Central and South America. In this manner we could have avoided a great portion of the cost that will eventually fall upon us as we strive to assist backward nations to better their conditions.

At this late date our program of economic assistance has been shifted to place emphasis upon loans rather than grants. We have been willing to accept foreign currencies in payment for agricultural commodities and in repayment of our obligations owed to this country as a result of our economic assistance in certain cases. The countries which are presently receiving economic assistance are, for the most part, much less able to repay the loans than many of the Marshall plan countries would have been. This could have been a vast program of enlightened capitalism in which the funds available could have been used over and over again to assist free peoples to realize their aspirations under the capitalistic system.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. KENNEDY. Will the Senator tell me which parts of the program would be cut if the amendment went into effect? Would the amendment affect military or nonmilitary expenditures? Would it affect technical assistance? The programs of which countries would be affected?

Mr. LONG. That would be entirely at the discretion of the administration. Large balances would be carried over, and there would be an additional \$2,765,000,000. The administration would make the decision as to the parts of the program to which the funds should not apply.

Mr. ELLENDER. Mr. President, will my colleague yield for an observation?

Mr. LONG. I yield.

Mr. ELLENDER. To answer further the question asked by my good friend from Massachusetts, with respect to the program for military assistance in Europe there was an unexpended balance of \$3,346,848,000 as of February 29, 1956.

Mr. KENNEDY. That program is obligated; is it not?

Mr. ELLENDER. It is money which is unexpended. It is in the reserve.

The bill as presently drafted, as proposed by the administration, asks for an additional \$760,471,000 only for Europe.

As I tried to demonstrate early this afternoon, all of the countries of Western Europe are more or less able to take care of themselves, the same as we are. But what the countries of Western Europe will have for military purposes only will be in excess of \$4 billion if the bill shall be enacted as it is proposed.



Mr. LONG. Mr. President, continuing my point about economic aid, under the circumstances, we are in for a severe disappointment if we ask any of those whom we helped most liberally to make a major contribution now in assisting others less fortunate than they.

The one country which has led the way from an economic point of view, the hope of all Europe today, is the one country which has been given the least. I have in mind West Germany. That nation suffered greater damage than any of the western powers. It paid the tremendous expenses of the cost of maintaining the occupation troops of foreign powers on German soil. It did all of this and rebuilt its country at the same time. While we were being told France would collapse, Italy would sink into the Mediterranean, and Britain would disappear if we did not shell out billions of dollars to assist those powers, the Germans went to work, paid for the support of troops maintained on German soil by Britain, France, and the United States, cared for untold thousands of human wretches who walked out from behind the Iron Curtain to live for years on little better than bread and water until the Government could find a place for them in the West German economy, and emerged one of the proud nations of the earth.

That is what Germany did without any of the material benefit of the \$60 billion give away. She did not have the United States to do it for her, so she did it herself. There is not much doubt in my mind that Germany would do a lot more for herself today except for the demoralizing effect of those voices which say, "Don't pay. Don't put up your share, because if you drag your feet the United States will pick up the check."

It should encourage the Germans to rearm if this nation were to make it clear that we will not indefinitely extend the protection of our arms to foreign powers unless they are willing to take reasonable measures to provide for their own defense. I am aware of the tremendous difficulties facing the Germans at this time. It is a difficult decision for them to make, that they should arm, in view of the fact that the Russians control East Germany. Nevertheless, the amount of funds in the bill for Germany is small indeed. If the Germans are willing to arm their country, they are the kind of people who will do their share unless they are led to believe that they can get the benefit of mutual protection by contributing much less than their share.

We are learning in Iceland about the lack of judgment in our foreign policy, insofar as that country is concerned.

In 1952, I visited Iceland as a member of the Committee on Armed Services, and I wrote a report concerning that trip through the North Atlantic area. I made the point that the presence of so fantastic a number of American men in a country so sparsely populated would create resentments and misunderstandings. I further pointed out that the presence of foreign troops on any nation's soil is resented in time of peace.

At that time I opposed the concept of maintaining American soldiers on Iceland to defend Iceland, in view of the fact that the Icelanders did not have an army themselves. It was my theory that the ground defense of the land on which the base was situated should be provided by soldiers of that country.

I recall an Army request that this Nation should provide housing and facilities to maintain an Army contingent with well-equipped weapons, including heavy tanks, near the Iceland capital in order that this Nation could rush its soldiers there in the event the local Communists should rise up against the government of Iceland. It was my reaction that our program should stress to Iceland that it remain free and that the cities of Reykjavik, Keflavik, and the other populated areas of that island should be defended by Icelanders. If they needed reinforcements, they should be rushed there from England or the United States. The presence of large numbers of American soldiers living under frigid conditions in 24 hours of darkness during the winter and the low temperatures and high winds of that area could only establish in the Icelanders our distrust of their basic patriotism.

Our foreign policy failed to strengthen the slightest conviction in the Icelanders that we were interested in them as people, and in their heritage and tradition of pride, courage, and freedom. Now we are reaping the harvest of a failure to understand the essential human dignities of the free people of Iceland. What is true of Iceland is true of other parts of the world.

Mr. President, there has never been a phase of United States activity, with the possible exception of UNRRA, where funds have been spent more loosely or accounted for with less responsibility than the foreign aid program. Although we have attempted to make order out of chaos, to find out what we had spent and what we had not spent, what we had on hand and what we did not have on hand, that which was obligated and that which was not obligated, we have wound up without the facts and with a feeling of frustration.

Here is the program of expending our resources to assist foreign nations. Above all others, it is the one in which funds should be most scrupulously accounted for. Instead, it heads the list as number one in loose bookkeeping, slipshod accounting, juggling, and losing contact with vast unexpended balances. For example, last year, at a time when those who were insisting on the high figure of the foreign aid bill were fighting in conference to make available to our allies and neutral powers the greatest possible figure, there was discovered a \$500 million balance which no one knew existed. Imagine, out of the clear blue someone shows up with \$500 million which no one knew was on hand.

My proposed amendment is very simple. It simply undertakes to hold the executive branch of the Government to the informal assurance they have been giving Congress for years. They have been implying that eventually they were going to cut down the rate of foreign

giveaways. They have been suggesting that sometime in the foreseeable future we could expect to see the foreign aid program reduced to a figure which would not be too burdensome for the taxpayers.

This amendment simply says that we will appropriate as much money for foreign aid this year, no more, as last year. No more, just the same amount. The administration is requesting \$4.7 billion of new money for the foreign aid program. This is \$1.9 billion more than it requested last year. My amendment simply says that we will hold to the figure we appropriated last year, which was \$2,765,875,000. There is already on hand \$6,877,700,000 unexpended. This will leave our friends and those who are not our friends but are receiving our aid, with an unexpended sum of \$9,643,575,000 to go along with \$60 billions that we have given them already.

If we should find we have made a mistake and someone shows up with a new idea that somewhere else additional resources can be given away to our advantage, we will have plenty of time to grasp the opportunity next year. There is not an item in the program which requires long lead time. As a matter of fact, one of the most frequently used arguments for the high figures of foreign aid relates to the assumption that we are simply giving away obsolete American weapons anyway. Of course, the argument is erroneous. Most of the weapons we are giving are standard for our services. For example, the rifles are American Garand rifles, which I regard as the best in the world. If they are not the best, at least we regard them as the best we can provide our own soldiers. The 90 mm. general purpose artillery, our 105 and 155 mm. howitzers, our ammunition, our electronics equipment, are all still standard for American services. The trucks, tanks and other armored equipment we are giving are of the same type our own soldiers use. Even the planes we are giving were the best we had 2 or 3 years ago.

While we are not giving away obsolete equipment, as some people would lead one to believe when it suits their purpose, the fact is that items we are giving are standard equipment generally available throughout our services which have been coming off our production lines for a great number of years. Additional quantities of these materials can be produced on short notice. I know, for example, that the type of ammunition which is being supplied is being produced in large quantities in the State I have the honor, in part, to represent. Most of the production lines at our shell loading plants are today closed. If we should find that some foreign power runs low on these items, we can supply vast quantities of it on short notice. For this reason, there is no need of carrying tremendous unexpended balances.

If my amendment is adopted, it will be possible for the administration to continue to carry the same program at about the same rate they are now spending money. I would hope, however, that the effect of the adoption of this amendment would be to place the administration on notice that the program must be



restudied. The taxpayers are getting tired, indeed, of such a tremendous expenditure for a program, many parts of which are of such doubtful value. Perhaps the adoption of this amendment will lead to an eventual reduction of expenditures for purposes of foreign aid, which will bring this phase of our burden to a point our public is willing to sustain.

The PRESIDING OFFICER. The Senator from Louisiana has control of the remainder of his time.

Mr. LONG. I am in control only of the time yielded to me. I will reserve the remainder of my time.

Mr. SALTONSTALL. Mr. President, has not the time of the Senator from Louisiana on the amendment expired?

The PRESIDING OFFICER. The Senator from Massachusetts is correct. The time of the Senator from Louisiana on the amendment has expired, but he was yielded an additional 30 minutes on the bill.

Mr. SALTONSTALL. I am in control of the time in opposition, and I yield 10 minutes to the Senator from Ohio.

Mr. BENDER. Mr. President, I have no prepared speech, and I had not intended speaking on this subject. I listened very attentively to the distinguished Senator from Louisiana. In my section of the country, Ohio and the Middle West, foreign aid is very unpopular. As a matter of fact, the people of that area definitely do not like foreign aid. They do not like this program. And I do not like foreign aid any more than my constituents do. But they do have a great respect for President Eisenhower; indeed, the most popular figure in American public life in my part of the country, during my lifetime, has been President Eisenhower.

President Eisenhower did not create the situation with which we are faced today. As general of the American forces in World War II, he did a tremendous job. As a military leader he performed one of the greatest services that has ever been performed in the annals of our history—in fact, in all history.

I know of no man who is better informed regarding the problems of the world than is the man who has had the experience President Eisenhower has had in fighting wars. Certainly, President Eisenhower is not a warlike individual. He is a man of peace, a quiet, unassuming man, a man who has no disposition to rattle sabers or issue challenges to other nations. I believe the President knows what he is doing.

The Senator from Louisiana speaks of an unexpended balance of \$6,877,000,000. In private life I am the president of an insurance company. I believe in insurance, and I believe in taking out insurance. I know that, on the basis of his own figures, the President has not been wasting money. The President has had balances every year, indicating that he is not wasting money; indicating that, of course, he is interested in preserving the taxpayers' money.

I remember when President Truman left his office. He presented a budget and he said it could not be cut 15 cents. President Eisenhower cut it by \$10 billion. Under the circumstances, I

know President Eisenhower does not want to spend money foolishly.

I also wish to say I know we could not have a better man at the helm than we have today in the White House. He is endeavoring to save all the money it is possible to save.

New world conditions are created as a result of new instruments of warfare. As I understand, the enemy has all the information concerning the new military weapons we have because, under previous administration, spies were enabled to get hold of secret information on weapons. Certainly, we know that colonialism is going out the window everywhere in the world. We know that new situations are being created.

I have to run for office in Ohio this year. I am running against a part-time Democrat, and a part-time everything else; but I want to say that I believe in President Eisenhower. I believe he knows what he is doing. I believe that he understands what the problem is, and I trust him, and I know that the \$6,877,000,000 will not be spent unless absolutely necessary. That is insurance money; and we need to have it on hand, because we do not know from day to day what is in store for us. Under the circumstances, I think for us to limit an expenditure of this kind at this time would be the most hazardous and unfortunate thing we could possibly do.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENDER. I yield.

Mr. LONG. How about the \$40 billion given away under President Truman? Did the Senator have the same confidence in President Truman that he has in the present administration?

Mr. BENDER. What \$40 billion? He gave away so much money I do not know what the Senator from Louisiana refers to.

Mr. LONG. Let us start with \$17 billion under the Marshall Plan.

Mr. BENDER. So far as giving money away is concerned, we gave away more at Potsdam, Teheran, and Yalta. We won the war on the battlefields, and gave it away at those conferences. I say as a result of giving away to Russia the countries of Poland, Czechoslovakia, Hungary, Latvia, China, and other areas, we are now faced with this problem.

Frankly, we cannot afford to be narrow and provincial in a matter that affects our security. Frankly, so far as we are concerned, we are in this all by ourselves. I am sure the Senator understands we have part-time friends, just as there are part-time Democrats. We have part-time friends. France has 5 million Communists—voting Communists; 40 percent of the members of her Parliament are members of the Communist Party.

But we need France as our friend. We need some of the other foreign countries as our friends. Under the circumstances, we have to deal with them, and we must be realistic about the situation. We cannot be narrow and provincial about it.

I know I may be saying things of which my constituents possibly do not approve;

but I believe in President Eisenhower. I believe he is a man of peace. Regardless of what may be said about what happened at Geneva, our President did a terrific job at Geneva. All the world had been propagandized by the Communists to the effect that we were a warlike nation, a nation which was interested in seizing another's property; but President Eisenhower, as a man of peace, appeared at the conference and announced our philosophy and our Christian point of view. He did a terrific job for all the people of the world, and especially for the United States of America.

We have no desire to seize anyone's property, but certainly we need to have insurance; and the money that is in the "kitty," the \$6,877,000,000, is insurance money. I am sure that President Eisenhower, except for that part which has been committed, does not want to spend a nickel of it unless it is absolutely necessary.

I want to say very emphatically that I agree very strongly with the view that we ought to be realistic about the matter. When we have a leader we respect, when we have a leader who has been through the wars our President has been through, we have to follow his judgment; and this is his judgment.

He is asking for this amount, not because he wants to spend the taxpayer's money. He saved \$10 billion in the first year, as compared to his predecessor's budget. He does not want to spend a nickel. Possibly the money we shall appropriate will not be spent at all. I hope not. But so long as communism is on the march, as obviously it is, so long as Tito and other dictators are on the march in the world, we need to be realistic, and we need to follow some leadership.

Obviously, the Foreign Relations Committee of this body felt very deeply about this problem, and supported the proposed program. So far as the unexpended balance is concerned, I hope not only that the unexpended balance will be left there, but that the money appropriated will remain in the "kitty" and will not be spent.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENDER. I yield.

Mr. LONG. Of the funds appropriated, \$31 billion was appropriated under Truman, and only \$8 billion was appropriated under Eisenhower. All I am advocating is that President Eisenhower continue to do what he has been doing—gradually draw down the balances left on hand by President Truman.

Mr. BENDER. I am sure the distinguished Senator feels very much about President Eisenhower as I do, and I am sure that in the statement the Senator has just made, he compliments President Eisenhower.

Mr. President, I wish to say that so long as we have some responsible person running this show and in charge of our Government, we are not afraid of what the result will be.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The time of the Senator from Ohio has expired.



Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from Nevada [Mr. MALONE].

Mr. MALONE. Mr. President, will the Senator from Louisiana yield 5 minutes to me, also?

Mr. LONG. Mr. President, I yield 5 minutes to the Senator from Nevada.

Mr. GEORGE. Mr. President, I do not understand how the Senator from Louisiana has any time to yield. He spoke his full 30 minutes on the amendment, and additional time was yielded to him, but not for his allocation to other Senators, as I understand. Otherwise, the unanimous-consent agreement which has been entered into would amount to nothing.

The PRESIDING OFFICER. The Chair is advised that the Senator from Louisiana reserved 22 minutes of his time, to be allocated later.

Mr. GEORGE. Mr. President, the Senator from Louisiana exhausted his full time on his amendment.

Mr. ELLENDER. Then let him submit another amendment, and obtain time in that way.

Mr. GEORGE. Very well; he may do so.

Mr. President, additional time on the bill was yielded to the Senator from Louisiana, but certainly that is not time which he is at liberty to allot to other Senators; and I raise the point of order that he cannot do so.

Mr. LONG. Mr. President, I have 22 minutes remaining, and I should like to use 1 of my 22 minutes; and—

The PRESIDING OFFICER. Let the Chair rule on the point of order which has been raised by the Senator from Georgia.

Mr. LONG. Mr. President, I should like to speak to the point of order.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for that purpose.

Mr. LONG. Mr. President, at the time when the pending unanimous-consent agreement was proposed, I had serious doubts as to whether I should agree to it. I explained to the majority leader or to his representative that I disliked the idea of allowing the proponents of the bill to have an entire day of debate in which to make their case to the Nation, and thereafter, under the provisions of the then proposed unanimous-consent agreement, to have 1½ hours on the bill, in addition to half an hour on each amendment or motion. Nevertheless, to accommodate the Senators who wished to have the unanimous-consent agreement entered into, I was willing to go along with the proposal. It was my understanding, however, that there would be an opportunity for all Senators who wished to do so to speak both on any amendment or motion which might be submitted—in which case under the provisions of the unanimous-consent agreement, any such Senator offering an amendment would be subject to a one-half hour limitation—and on the question of the final passage of the bill under unanimous-consent agreement there would be a total of 3 hours, to be equally divided and controlled by the majority and minority leaders. I so stated, Mr. President, at that time; and it was then that the

representative of the majority leader in return for the cooperation shown him, agreed that I would be yielded additional time in connection with the amendment which I wished to offer, which is one of the most significant amendments.

It is true that from a strict parliamentary point of view, a point of order could be made, namely, that I should request the majority leader to yield me 30 minutes on the bill before I commence to speak on the amendment. If some Senator wishes to take advantage of that situation, after Senators on the other side have used their full amount of time, and in that way cut us off, perhaps such Senators could take that advantage of the parliamentary situation.

However, all we wish is to have a chance to be heard.

My senior colleague [Mr. ELLENDER] would like to speak for 5 or 10 minutes; and then the junior Senator from Mississippi would like to be heard on the bill; and the Senator from Nevada [Mr. MALONE] would like to be heard on the amendment. Not one of them cares to speak longer than 10 minutes.

We have accommodated ourselves to the wishes of the Senators who had the entire first day to support the bill, and who since then have had half of the time under the provisions of the unanimous-consent agreement, an opportunity to discuss each amendment under the one-half hour limitation, as well as an opportunity to discuss the bill, under the limitation of 1½ hours to each side.

Therefore, Mr. President, under these circumstances I hope such Senators will be sufficiently tolerant to permit us to speak on the amendment.

The PRESIDING OFFICER. On the point of order which has been raised by the Senator from Georgia [Mr. GEORGE], the Chair will state that it is the understanding of the Chair that the majority leader yielded to the Senator from Louisiana 30 minutes, in accordance with the unanimous-consent agreement which has been entered; and the Chair understands, further, that the Senator from Louisiana has remaining approximately 22 minutes.

The unanimous-consent agreement, as printed on the first page of the calendar of business, and as agreed to by all Senators, including the leadership on both sides, specifically states, in the second paragraph:

*Ordered further*, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal. (June 27, 1956.)

Mr. LONG. Mr. President, I rise to a point of information.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. LONG. Have I the right to yield 5 minutes of the time remaining to me to the Senator from Nevada [Mr. MALONE]?

The PRESIDING OFFICER. The Chair understands that the Senator

from California has yielded 5 minutes to the Senator from Nevada.

Mr. KNOWLAND. That is correct, Mr. President.

Mr. LONG. Mr. President, the Senator from Nevada asked me to yield to him 5 minutes of the time remaining to me. Do I have the right to do so?

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Louisiana has that right.

Mr. LONG. Then, Mr. President, I yield 5 minutes of my time to the Senator from Nevada [Mr. MALONE], in addition to the 5 minutes yielded to him by the Senator from California [Mr. KNOWLAND].

The PRESIDING OFFICER. The Senator from Nevada is recognized for a total of 10 minutes.

#### RECKLESS EXPENDITURE OF TAXPAYERS' MONEY VERSUS COMMON SENSE

Mr. MALONE. Mr. President, during the Marshal plan debates on the floor of the Senate, in March and April of 1949, I listed 97 trade agreements between Soviet Russia and her Communist satellites and the so-called free-world countries to which we have been extending foreign aid under the guise of deterring communism.

I said in those early debates that through foreign aid we were helping to arm Russia and her satellites by providing the nations of Europe with money and industries to produce goods for the Iron Curtain countries.

Under these trade pacts they are committed to supply such goods as Russia and her satellites wish to buy and to maintain trade with the Communists. It is a Tinkers-to-Evers-to-Chance proposition.

We furnish the aid to foreign countries. They produce goods. Goods which they cannot sell in this country they sell to Russia; and all of them have been doing it.

#### MORE FOREIGN AID: MORE FOREIGN TRADE PACTS WITH RUSSIA

What has happened is that the more foreign aid we grant each year, and the longer we grant foreign aid, the more the countries being aided by us sign trade pacts with Russia and her satellites.

There are now 196 such pacts, according to the latest list, supplied me at my request by the International Cooperation Administration—100 more than the number existing only several years ago—in fact, more than double that number.

It is a very interesting list. Several new Communist satellites not in the previous list have been added, and many more of our non-Communist friends and allies, to whom we have given billions of taxpayers' dollars, have also been added.

#### TWENTY-FIVE FOREIGN AID BENEFICIARIES NOW HAVE TRADE PACTS WITH RUSSIA

Whatever effect our foreign aid has had on deterring communism, it has certainly expanded Red trade with the countries on our hand-out list, and has encouraged new trade pacts and treaties.

From this new list, I find that Russia now has trade pacts with 25 nations on our side of the Iron Curtain, 16 more than when I addressed the Senate in 1949.



Actually there are only 24, because the International Cooperation Administration mistakenly includes Yugoslavia among the so-called free-world countries, and of course Russia has a trade pact with her. I call Yugoslavia a communist nation, but I presume the ICA prefers to list her on the free world side because the ICA has been extending huge foreign aid bounties to Yugoslavia, and intends to continue to do so under the bill now before us.

Other countries with which Russia has trade pacts are:

In Europe—Austria, Belgium, Denmark, Finland, France, Greece, Iceland—which has received a considerable amount of aid from us, and now wishes to kick us out; also Italy, the Netherlands, Norway, Sweden, and Switzerland. All these countries have trade treaties with Russia, some of them with dates as recent as this year, 1956.

In the Western Hemisphere, Russia has trade agreements with Argentina, Uruguay, Canada; in the Near East and Africa, with Egypt, Iran, Israel, Lebanon, Syria, and Yemen; in South and Southeast Asia, with Afghanistan, Burma, and India.

Among the satellites, we find Albania with two trade pacts—with Italy and Yugoslavia.

Bulgaria has trade pacts with Austria, Belgium, Denmark, Finland, France, West Germany, Greece, Italy, the Netherlands, Norway, Sweden, Switzerland, Turkey, Yugoslavia, and the United Kingdom, all of which have been receiving foreign aid in varying degrees, and presumably will continue to do so. Bulgaria also has trade pacts with Egypt, Israel, Burma, India, and Indonesia.

Finland, Yugoslavia, Egypt, Lebanon, Syria, Burma, Cambodia, Ceylon, India, and Indonesia have trade pacts with

Red China; and Japan has one also, which the International Cooperation Administration describes as nongovernmental.

CZECHOSLOVAKIA MEMBER OF GATT AND ALSO PARTY TO 33 PACTS

Communist Czechoslovakia has more trade pacts than any other Red satellite—33. They are with Austria, Belgium, Denmark, Finland, France, West Germany, Greece, Iceland, Italy, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, Yugoslavia, and the United Kingdom, in Europe; with Argentina, Brazil, Mexico, Paraguay, Uruguay, in Latin America; with Afghanistan, Egypt, Ethiopia, Iran, Lebanon, Sudan, and Syria, in Africa; and with Burma, Ceylon, India, and Indonesia, in South and Southeast Asia.

In addition to these trade pacts, I should also remind the Senate that Communist Czechoslovakia is a member in good standing in the Geneva General Agreement on Tariffs and Trade, comprising 35 governments, including the United States. It is through GATT that, during recent weeks, our State Department has been carrying on its negotiations to reduce tariffs, and with such unfortunate and foreboding results to numerous United States industries.

Communist East Germany is listed as being linked with Austria, Belgium, Finland, France, West Germany, Greece, Iceland, Italy, the Netherlands, Norway, Portugal, Sweden, Turkey, Yugoslavia, Argentina, Colombia, Uruguay, Egypt, Lebanon, Sudan, Syria, Burma, India and Indonesia in trade pacts of one kind or another.

Communist Hungary has trade pacts with Austria, Belgium, Denmark, Finland, France, the German Federal Republic or West Germany, Greece, Iceland, Italy, the Netherlands, Norway,

Portugal, Sweden, Switzerland, Turkey, United Kingdom, Yugoslavia, Argentina, Brazil, Paraguay, Iran, Israel, Sudan, Syria, Burma, India and Indonesia.

FOREIGN AID EXTENDED TO MANY NATIONS IN TRADE TREATIES WITH POLAND

Poland, next to Czechoslovakia, has more trade pacts with non-Communist nations than any other country under the Red flag. She has trade pacts with Austria, Belgium, Denmark, Finland, France, the German Federal Republic, Greece, Iceland, Italy, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, United Kingdom, Yugoslavia, Argentina, Brazil, Paraguay, Uruguay, Egypt, Iran, Israel, Lebanon, Sudan, Syria, Burma, Ceylon, India, Indonesia, and Pakistan.

Rumania has pacts with Australia, Belgium, Denmark, Finland, France, German Federal Republic, Greece, Italy, Norway, Sweden, Switzerland, Turkey, Yugoslavia, Egypt, Israel, Lebanon, Burma, Ceylon, India and Indonesia.

Even the new Communist Government of Vietnam has a trade pact now with France, from whom the country was wrested by the Communists.

"FREE WORLD" TRADE PACTS WITH REDS IN 1949 AND 1956 LISTED

Mr. President, for purposes of comparison, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the list of foreign-aided countries having trade agreements with Iron Curtain countries, which I introduced in the RECORD in 1949; and the list of such trade pacts today as supplied to me by the International Cooperation Administration on May 25, 1956.

There being no objection, the lists were ordered to be printed in the RECORD, as follows:

*Commercial agreements between OEEC countries and countries of eastern Europe—1949*

Partners	Period	Special provisions
France-Finland	May 1948-49, supplemented November 1948	
France-Czechoslovakia	August 1948-49	
France-Hungary	November 1947-48, extended to Apr. 30, 1949	
France-Rumania	July 1946 to completion	
France-Yugoslavia	May-December 1948	
France-Bulgaria	June 1947-48, presumably continued	
France-Poland	January-December 1949	
Belgium-Finland	November 1948-49	Investment agreement; March 1948-52.
Belgium-Czechoslovakia	March 1948-49	
Belgium-Hungary	April 1947-May 1948	
Belgium-Rumania	September 1948-49	
Belgium-Yugoslavia	do	
Belgium-Bulgaria	April 1947-48	
Belgium-Poland	Nov. 1, 1948-Dec. 31, 1949	
Belgium-U. S. S. R.	January-December 1948	(Some Belgian deliveries for 1949.)
Belgium-Soviet zone, Germany	November 1947-48	
Netherlands-Finland	June 1948-49, supplemented September 1948	
Netherlands-Czechoslovakia	January-December 1948, prolonged to March 1949	
Netherlands-Hungary	January-December 1949	
Netherlands-Rumania	February 1948	Preliminary agreement; Rumanian but not Netherlands deliveries specified.
Netherlands-Yugoslavia	February 1948-51; annual quotas supplemented November 1948	Investment agreement.
Netherlands-Bulgaria	November 1948-49	
Netherlands-Poland	January-December 1948	
Netherlands-U. S. S. R.	June 1948-53 (most items for 1 year delivery)	1947-49 investment agreement, revised March and July 1948.
Netherlands-Soviet zone, Germany	June 1948-49	Investment agreement.
Norway-Finland	November 1948-49	
Norway-Czechoslovakia	March 1948-49	
Norway-Hungary	November 1947-48	
Norway-Yugoslavia	April 1948-49	
Norway-Poland	January-December 1949	
Norway-U. S. S. R.	do	
Norway-Soviet zone, Germany	do	
Sweden-Finland	February 1948-49	
Sweden-Czechoslovakia	November 1947-48	
Sweden-Hungary	October 1948-49	
Sweden-Yugoslavia	April 1948-49	April 1947-54 investment agreement.
Sweden-Bulgaria	October 1947-Dec. 31, 1948	
Sweden-Poland	May 1948-49	March 1947-51 investment agreement.



## Commercial agreements between OEEC countries and countries of eastern Europe—1949—Continued

Partners	Period	Special provisions
Sweden-U. S. S. R.	January-December 1948	October 1946-51 investment agreement.
Sweden-Soviet zone, Germany	July 1948-49, supplemented December 1948	
Denmark-Finland	January-December 1948; November 1948 supplemented extends and expands agreement to May 1, 1949.	
Denmark-Czechoslovakia	September 1948-49	
Denmark-Hungary	October 1947-48	Investment agreement.
Denmark-Yugoslavia	July 1947-48	
Denmark-Bulgaria	May 1947-48	
Denmark-Poland	October 1948-49	
Denmark-U. S. S. R.	July 1948-Dec. 31, 1949	Investment orders; delivery to 1952. Investment orders; delivery to 1951.
Switzerland-Finland	September 1948-Feb. 28, 1950	
Switzerland-Czechoslovakia	October 1948-49	
Switzerland-Hungary	do	
Switzerland-Rumania	March 1947-50; annual quotas	Investment agreement.
Switzerland-Yugoslavia	October 1948-53; annual quotas	
Switzerland-Bulgaria	January-December 1947	
Switzerland-Poland	January-December 1948; revised June 1948	
Switzerland-U. S. S. R.	April 1948-49	Investment orders; delivery to 1952. Investment orders; delivery to 1951.
Switzerland-Soviet zone, Germany	July 1947-48	
Austria-Czechoslovakia	August 1948-June 30, 1949	
Austria-Hungary	January-December 1948, supplemented September 1948	
Austria-Yugoslavia	September 1948-49	1947-52 investment agreement. Investment deliveries may be authorized. October 1946-50 investment agreement. December 1948-51 investment agreement.
Austria-Bulgaria	October 1948-49	
Austria-Poland	August 1948-49	
Italy-Czechoslovakia	September 1948-49	
Italy-Hungary	December 1948-49	No quotas scheduled. Do. Do. Do.
Italy-Yugoslavia	November 1947-48	
Italy-Bulgaria	November 1948-49	
Italy-Poland	January-December 1948, revised April 1948; extended to 2 months	
Italy-U. S. S. R.	December 1948-49	Payments only.
Italy-Soviet zone, Germany	July-December 1947	
Greece-Czechoslovakia	August 1948-49	
Iceland-Finland	July 1948-49	
Iceland-Czechoslovakia	March-December 1948 extended to Feb. 28, 1949	Investment agreement; not all goods have annual quotas. Investment agreement.
Iceland-Poland	July 1948-Dec. 31, 1949	
Iceland-U. S. S. R.	(May 1946-47 agreement not renewed in 1948)	
Western Germany-Finland	July-December 1948	
Western Germany-Czechoslovakia	October 1948-49	No quotas scheduled. Do. Do. Do.
Western Germany-Hungary	August 1948-49	
Western Germany-Yugoslavia	April-September 1948, automatically renewable	
Western Germany-Bulgaria	October-December 1947, automatically renewable	
Western Germany-Poland	January-December 1949	Payments only.
Turkey-Finland	June 1948-49	
Turkey-Czechoslovakia	December 1946-Apr. 1, 1948, automatically renewable to Mar. 31, 1949	
Turkey-Yugoslavia	September 1947-48	
Turkey-Poland	August 1948-49	Investment agreement; not all goods have annual quotas. Investment agreement.
United Kingdom-Finland	January-December 1949	
United Kingdom-Czechoslovakia	November 1945	
United Kingdom-Hungary	August 1948-49	
United Kingdom-Yugoslavia	October 1948-49	Investment agreement; not all goods have annual quotas. Investment agreement.
United Kingdom-Poland	January 1949-53, annual quotas	
United Kingdom-U. S. S. R.	December 1947-51; U. S. S. R. deliveries, February-September 1948; United Kingdom deliveries, 1948-51.	
Total (88).		

## Most recent commercial agreements between OEEC countries and Spain

Partners	Period	Special provisions
France-Spain	May 1948-49 revised November 1948	No quotas.
Netherlands-Spain	November 1948-May 1949	
Sweden-Spain	July 1948-49	
Denmark-Spain	March 1948-49	
Switzerland-Spain	December 1947-48, prolonged to Mar. 31, 1949	
Italy-Spain	July 1948-49	
Bizone-Spain	January-December 1949	
United Kingdom-Spain	June 1948-April 1949 revised December	
Ireland-Spain	September 1947-48	
Total (9)		

LATEST TRADE AND/OR PAYMENTS AGREEMENTS IN EFFECT BETWEEN COUNTRIES OF THE SOVIET BLOC AND THE FREE WORLD DURING 1955 AND 1956<sup>1</sup>

## A. UNION OF SOVIET SOCIALIST REPUBLICS

## I. Europe

Austria: "October 17, 1955, to October 16, 1960."  
Belgium: "February 18, 1948-indefinite."  
Denmark: May 15, 1956 to May 14, 1958.  
Finland: January 1, 1956 to December 31, 1956.  
France: January 1, 1956 to December 31, 1956.  
Greece: July 28, 1955 to December 31, 1956.  
Iceland: January 1, 1956 to December 31, 1956.  
Italy: January 1, 1956 to December 31, 1956.

<sup>1</sup> Based on information available through May 18, 1956. Quoted data indicates first postwar agreement. Data in parentheses indicate date of signature; exact duration not specified.

Netherlands: July 2, 1948-indefinite.  
Norway: January 1, 1956 to December 31, 1956.  
Sweden: January 1, 1956 to December 31, 1956.  
Switzerland: "April 1, 1948-indefinite."  
Yugoslavia: January 1, 1956 to December 31, 1956.

## II. Western Hemisphere

Argentina: January 1, 1955 to December 31, 1955.  
Uruguay: "July 28, 1954, to July 27, 1956."  
Canada: "February 29, 1956, to February 28, 1959."

## III. Near East and Africa

Afghanistan: July 1, 1955, to June 30, 1956.  
Egypt: March 27, 1955, to March 26, 1956.  
Iran: April 1, 1955, to March 31, 1956.  
Israel: "February 18, 1954-indefinite (payments only)."  
Lebanon: September 11, 1955, to September 10, 1956.  
Syria: "April 3, 1955, to April 2, 1957."  
Yemen: March 8, 1956.

## IV. South and southeast Asia

Burma: July 1, 1955, to June 30, 1960.  
India: January 1, 1956, to December 31, 1956.

## B. ALBANIA

## I. Europe

Italy: "October 1, 1955, to September 30, 1956."  
Yugoslavia: January 1, 1956, to December 31, 1956.

## C. BULGARIA

## I. Europe

Austria: November 1, 1955, to October 31, 1956.  
Belgium: "April 21, 1947"; extended to April 1956.  
Denmark: "January 28, 1948"; extended to January 27, 1956.  
Finland: January 1, 1956, to December 31, 1956.  
France: July 28, 1955, to July 27, 1956.  
German Federal Republic: April 1, 1955, to March 31, 1956.



Greece: January 1, 1956, to December 31, 1956.

Italy: January 1, 1956, to December 31, 1956.

Netherlands: "June 15, 1947"; extended to December 31, 1955.

Norway: December 2, 1955, to May 31, 1957.

Sweden: April 1, 1955, to March 31, 1956.

Switzerland: January 1, 1955, to December 31, 1955.

Turkey: "March 10, 1955, to March 9, 1956."

United Kingdom: "September 23, 1955, to December 31, 1957."

Yugoslavia: January 1, 1956, to December 31, 1956.

## II. Near East and Africa

Egypt: March 17, 1956—3 years.

Israel: "December 20, 1954, to December 31, 1955."

## III. South and southeast Asia

Burma: "May 16, 1956"—1 year.

India: April 18, 1956, to December 31, 1959.

Indonesia: "December 14, 1954."

## D. COMMUNIST CHINA

### I. Europe

Finland: May 1, 1955 to April 30, 1956.

Yugoslavia: (February 17, 1956) to December 31, 1956.

## II. Near East and Africa

Egypt: (April 16, 1956)—1 year.

Lebanon: "(December 31, 1955)"—1 year.

Syria: "(November 30, 1955)"—1 year.

## III. South and southeast Asia

Burma: December 29, 1955 to December 28, 1956.

Cambodia: "(April 24, 1956)."

Ceylon: January 1, 1956 to December 31, 1956.

India: October 14, 1954 to October 13, 1956.

Indonesia: January 4, 1954; extended to July 31, 1956.

## IV. Far East

Japan: May 4, 1955 to May 31, 1956 (nongovernmental).

## E. CZECHOSLOVAKIA

### I. Europe

Austria: January 1, 1956 to December 31, 1956.

Belgium: April 1, 1956 to March 31, 1957.

Denmark: June 1, 1955 to May 31, 1956.

Finland: January 1, 1956 to December 31, 1956.

France: July 1, 1955 to June 30, 1956.

German Federal Republic: January 1, 1956 to December 31, 1956.

Greece: January 1, 1956 to December 31, 1956.

Iceland: September 1, 1955 to August 31, 1956.

Italy: "July 2, 1947"; extended to September 30, 1955.

Netherlands: February 1, 1956 to January 31, 1957.

Norway: January 1, 1956 to December 31, 1956.

Portugal: "March 1, 1956, to February 28, 1957."

Sweden: August 1, 1955 to October 31, 1956.

Switzerland: April 21, 1955 to December 31, 1956.

Turkey: July 1, 1954 to June 30, 1955.

United Kingdom: August 19, 1949; extended to August 18, 1956 (payments only).

Yugoslavia: January 1, 1956 to December 31, 1956.

## II. Western Hemisphere

Argentina: February 11, 1955 to February 10, 1958.

Brazil: May 17, 1955 to May 16, 1956.

Mexico: November 9, 1949 to December 31, 1954; annual tacit renewal.

Paraguay: "November 15, 1953, to November 14, 1954"; annual tacit renewal.

Uruguay: (September 12, 1955)—3 years.

## III. Near East and Africa

Afghanistan: "(August 22, 1954)"—1 year.

Egypt: July 19, 1955, to July 31, 1956.

Ethiopia: "April 25, 1956)."

Iran: (January 1955).

Lebanon: November 20, 1954, to November 19, 1955.

Sudan: (May 20, 1955)—indefinite.

Syria: March 27, 1953, to March 26, 1954; annual tacit renewal.

## IV. South and southeast Asia

Burma: February 14, 1955, to January 31, 1958; supplement (May 26, 1955).

Ceylon: (December 16, 1955) trade. (March 13, 1956) payments.

India: January 1, 1956, to December 31, 1956.

Indonesia: July 15, 1955, to July 14, 1956.

## F. GERMAN DEMOCRATIC REPUBLIC

### I. Europe

Austria: January 1, 1956, to December 31, 1956 (nongovernmental).

Belgium: February 1, 1956, to January 1, 1957 (nongovernmental).

Finland: January 1, 1956, to December 31, 1956.

France: March 1, 1955, extended to June 30, 1956 (nongovernmental).

German Federal Republic: January 1, 1956, to December 31, 1956 (nongovernmental).

Greece: January 1, 1955, to December 31, 1955 (nongovernmental).

Iceland: January 1, 1956, to December 31, 1956 (nongovernmental).

Italy: January 1, 1955, to December 31, 1955 (nongovernmental).

Netherlands: January 1, 1956, to December 31, 1956 (nongovernmental).

Norway: January 1, 1956, to December 31, 1956 (nongovernmental).

Portugal: "March 1, 1956, to February 28, 1957" (nongovernmental).

Sweden: January 1, 1956, to December 31, 1956 (nongovernmental).

Turkey: May 1, 1955, to June 30, 1956 (nongovernmental).

Yugoslavia: August 25, 1954, to June 30, 1955 (supplement, September 22, 1955), extended to June 30, 1956 (nongovernmental).

## II. Western Hemisphere

Argentina: "January 1, 1955, to December 31, 1955" (nongovernmental).

Colombia: February 14, 1955, to March (nongovernmental).

Uruguay: "June 29, 1954, to June 28, 1955" (nongovernmental).

## III. Near East and Africa

Egypt: November 10, 1955, to December 31, 1956.

Lebanon: (November 12, 1955)—5 years.

Sudan: July 10, 1955, to December 31, 1956.

Syria: "April 17, 1956, to April 16, 1957."

## IV. South and southeast Asia

Burma: February 27, 1955—3 years.

India: "October 16, 1954, to October 15, 1955."

Indonesia: June 9, 1954, to December 31, 1955 (nongovernmental).

## G. HUNGARY

### I. Europe

Austria: September 1, 1955, to August 31, 1956.

Belgium: February 1, 1956, to January 31, 1957.

Denmark: March 1, 1956, to February 28, 1957.

Finland: January 1, 1956, to December 31, 1956.

France: January 1, 1956, to December 31, 1956.

German Federal Republic: February 1, 1956—indefinite (payments); July 1, 1955, to June 30, 1956 (trade).

Greece: May 3, 1955, to December 31, 1955.

Iceland: January 1, 1956, to December 31, 1956.

Italy: April 1, 1956, to March 31, 1957.

Netherlands: To March 31, 1957.

Norway: February 1, 1955, to April 30, 1956.

Portugal: "March 1, 1956, to February 28, 1957."

Sweden: October 1, 1955, to September 30, 1956.

Switzerland: October 1, 1955, to September 30, 1956.

Turkey: June 1, 1949; extended to May 31, 1956.

United Kingdom: September 1, 1954, to August 31, 1955.

Yugoslavia: January 1, 1955, to December 31, 1955.

## II. Western Hemisphere

Argentina: September 8, 1953, to September 7, 1956.

Brazil: "April 26, 1954, to April 25, 1955."

Paraguay: November 1, 1953, to October 31, 1954; annual tacit renewal.

## III. Near East and Africa

Iran: (June 4, 1955)—1 year.

Israel: February 26, 1954; extended to February 25, 1957.

Sudan: "May 20, 1955, to May 19, 1956."

Syria: "(May 3, 1956)"—1 year.

## IV. South and southeast Asia

Burma: February 21, 1956, to February 20, 1957.

India: January 1, 1956, to December 31, 1956.

Indonesia: July 1, 1955, to June 30, 1956.

## H. POLAND

### I. Europe

Austria: April 1, 1955, to March 31, 1956.

Belgium: January 1, 1954; extended to March 31, 1956.

Denmark: January 1, 1956, to December 31, 1956.

Finland: January 1, 1956, to December 31, 1956.

France: December 1, 1955, to November 30, 1956.

German Federal Republic: January 1, 1955, to June 30, 1956.

Greece: January 1, 1954; extended to March 31, 1956.

Iceland: March 1, 1956, to February 28, 1957.

Italy: July 1, 1949; extended to December 31, 1956.

Netherlands: August 1, 1955, to July 31, 1956.

Norway: May 1, 1956, to April 30, 1957.

Portugal: "March 1, 1956, to February 28, 1957."

Sweden: May 1, 1956, to April 30, 1957.

Switzerland: July 1, 1949, to June 30, 1954; annual tacit renewal.

Turkey: "July 1, 1948"; extended to June 30, 1955.

United Kingdom: January 1, 1956, to December 31, 1956.

Yugoslavia: January 1, 1956, to December 31, 1956.

## II. Western Hemisphere

Argentina: January 1, 1955, to December 31, 1955.

Brazil: April 1, 1954; extended to April 1, 1956.

Paraguay: "November 23, 1955)"—1 year.

Uruguay: "April 24, 1953, to April 23, 1954"; annual tacit renewal.

## III. Near East and Africa

Egypt: April 1, 1955, to March 31, 1956.

Iran: April 16, 1956, to April 15, 1957.

Israel: July 1, 1954, to June 30, 1955; annual tacit renewal.

Lebanon: "(January 4, 1956)"—1 year.

Sudan: "May 20, 1955, to May 19, 1956" payments).

Syria: "May 1956 to May 1957."

## IV. South and southeast Asia

Burma: "November 1, 1955, to October 31, 1958."



Ceylon: "February 28, 1956, to February 27, 1957."

India: April 1, 1956, to December 31, 1959.  
Indonesia: May 1, 1955, to April 30, 1956.  
Pakistan: February 4, 1956, to February 3, 1957.

#### I. RUMANIA

##### I. Europe

Austria: April 1, 1955, to March 31, 1956.  
Belgium: "September 3, 1948," extended to December 31, 1955.

Denmark: April 1, 1954, to March 31, 1956.  
Finland: January 1, 1956, to December 31, 1956.

France: January 1, 1956, to December 31, 1956.

German Federal Republic: January 1, 1956, to December 31, 1956 (nongovernmental).

Greece: July 1, 1955, to June 30, 1956.

Italy: December 20, 1950, extended to December 19, 1956.

Norway: June 1, 1955, to May 31, 1956.

Sweden: April 1, 1956, to December 31, 1956 (nongovernmental).

Switzerland: August 1, 1953, extended to July 31, 1956.

Turkey: April 15, 1955, to April 14, 1956.

Yugoslavia: January 1, 1956, to December 31, 1956.

##### II. Near East and Africa

Egypt: January 18, 1954, to January 17, 1955; annual tacit renewal.

Israel: "September 9, 1954, to December 31, 1955."

Lebanon: "January 6, 1956"—1 year.  
Syria: "January 14, 1956"—1 year.

##### III. South and southeast Asia

Burma: "February 7, 1956"—3 years.  
Ceylon: March 16, 1956"—1 year.

India: "March 23, 1954, to December 31, 1954," annual tacit renewal for 1 additional year.

Indonesia: July 1, 1955, to June 30, 1956.

#### J. DEMOCRATIC REPUBLIC OF VIETNAM

##### I. Europe

France: July 1, 1955, to June 30, 1956.

#### STATE COSTS OF FOREIGN AID LISTED

Mr. MALONE. Mr. President, on June 6 of this year, the Council of State Chambers of Commerce, which is much concerned over the Federal tax and cost burdens imposed on the various States, prepared a study of what this foreign-aid program has cost each of them, and what the funds requested for the fiscal year 1957 program will cost each of them.

In an introduction to this interesting tabulation, the council expressed its vigorous support of the \$1.1 billion cut made by the House of Representatives in the original \$4.9 billion request, and pointed out that there would still be \$10½ billion available, enough to carry the program another 2½ years.

I ask unanimous consent that this statement by the Council of State Chambers of Commerce and its tabulation of costs to each State, both for the program from July 1, 1945, to June 30, 1956, the coming fiscal year, should the full or original request be approved, be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### COUNCIL OF STATE CHAMBERS OF COMMERCE

Large unspent balances in foreign aid funds were cited today by the Council of State Chambers of Commerce in supporting the cut of \$1.1 billion which the House Foreign Affairs Committee made in the \$4.9 billion requested by the administration. The council said:

"That the committee's reduction would hardly cripple the mutual-security program is shown by the fact that there would be over \$10½ billion available for expenditure at the beginning of fiscal year 1957. This would be enough to carry the program 2½ years at the present rate of foreign spending."

These points were developed by Eugene F. Rinta, director of research, in a study, released today, for the 30 State and regional chambers of commerce in the council.

The Rinta study called for "a thorough critical re-examination of the entire program" and suggested that "the Congress itself, with the assistance of the best talent available, might well be the best body to make the investigation."

Unless Congress assumes the full responsibility for cutting off large-scale foreign aid, the council warned that it is likely to burden the American taxpayer for years to come.

But action by Congress to cut foreign-aid spending appreciably is improbable because of the limited information now available on which to determine the wisdom of continuing foreign aid, the council declared. For that reason, the council said, it urged Congress to authorize a thorough examination and review of the whole problem.

Calling attention to statistics of the International Cooperation Administration, the Rinta study pointed out that the relative economic growth of European countries aided since 1948 "has been just about as great as in the United States and in some cases even greater."

The council also noted in these countries "a general trend toward lower defense spending in relation to both gross national product and central government budgets." It said the ICA statistics also indicate that "the United States has been making a far greater contribution of its total national product and its National Government budget for defense than any of the countries, except Communist Yugoslavia."

#### MEMORANDUM

This council study is another in the series of Federal Spending Facts. These studies are published by the council's research office in Washington for the use of State chambers of commerce as basic background material for the information of their members. They are also made available at the same time as a service to the press.

The study follows:

*Cost of foreign aid to the States for the 11 postwar years, July 1, 1945, to June 30, 1956, and additional cost if the President's request for fiscal year 1957 is approved*

	Federal tax burden, percentage	Net funds provided, July 1, 1945, to June 30, 1956			Funds requested for fiscal year 1957		
		Economic	Military	Total	Economic	Military	Total
Alabama.....	0.91	\$390,390,000	\$202,930,000	\$593,320,000	\$16,926,000	\$27,300,000	\$44,226,000
Arizona.....	.42	180,180,000	93,660,000	273,840,000	7,812,000	12,600,000	20,412,000
Arkansas.....	.46	197,340,000	102,580,000	299,920,000	8,556,000	13,800,000	22,356,000
California.....	9.29	3,985,410,000	2,071,670,000	6,057,080,000	172,794,000	278,700,000	451,494,000
Colorado.....	1.14	489,060,000	254,220,000	743,280,000	21,204,000	34,200,000	55,404,000
Connecticut.....	1.88	806,620,000	419,240,000	1,225,760,000	34,968,000	56,400,000	91,368,000
Delaware.....	.62	223,080,000	115,960,000	339,040,000	9,672,000	15,600,000	25,272,000
Florida.....	1.62	694,980,000	361,260,000	1,056,240,000	30,132,000	48,600,000	78,732,000
Georgia.....	1.34	574,860,000	298,820,000	873,680,000	24,924,000	40,200,000	65,124,000
Idaho.....	.25	107,250,000	55,750,000	163,000,000	4,650,000	7,500,000	12,150,000
Illinois.....	7.59	3,256,110,000	1,692,570,000	4,948,680,000	141,174,000	227,700,000	368,874,000
Indiana.....	2.41	1,033,890,000	537,430,000	1,571,320,000	44,826,000	72,300,000	117,126,000
Iowa.....	1.26	540,540,000	280,980,000	821,520,000	23,436,000	37,800,000	61,236,000
Kansas.....	.98	420,420,000	218,540,000	638,960,000	18,228,000	29,400,000	47,628,000
Kentucky.....	.99	424,710,000	220,770,000	645,480,000	18,414,000	29,700,000	48,114,000
Louisiana.....	1.10	471,900,000	245,300,000	717,200,000	20,460,000	33,000,000	53,460,000
Maine.....	.37	158,730,000	82,510,000	241,240,000	6,882,000	11,100,000	17,982,000
Maryland.....	2.19	939,510,000	488,370,000	1,427,880,000	40,734,000	65,700,000	106,434,000
Massachusetts.....	3.24	1,389,960,000	722,520,000	2,112,480,000	60,264,000	97,200,000	157,464,000
Michigan.....	5.66	2,428,140,000	1,262,180,000	3,690,320,000	105,276,000	169,800,000	275,076,000
Minnesota.....	1.70	729,300,000	379,100,000	1,108,400,000	31,620,000	51,000,000	82,620,000
Mississippi.....	.45	193,050,000	100,350,000	293,400,000	8,370,000	13,500,000	21,870,000
Missouri.....	2.47	1,059,630,000	550,810,000	1,610,440,000	45,942,000	74,100,000	120,042,000
Montana.....	.30	128,700,000	66,900,000	195,600,000	5,580,000	9,000,000	14,580,000
Nebraska.....	.74	317,460,000	165,020,000	482,480,000	13,764,000	22,200,000	35,964,000
Nevada.....	.17	72,930,000	37,910,000	110,840,000	3,162,000	5,100,000	8,262,000
New Hampshire.....	.27	115,830,000	60,210,000	176,040,000	5,022,000	8,100,000	13,122,000
New Jersey.....	3.71	1,591,590,000	827,330,000	2,418,920,000	69,006,000	111,300,000	180,306,000
New Mexico.....	.30	128,700,000	66,900,000	195,600,000	5,580,000	9,000,000	14,580,000
New York.....	14.95	6,413,550,000	3,333,850,000	9,747,400,000	278,070,000	448,500,000	726,570,000
North Carolina.....	1.41	604,890,000	314,430,000	919,320,000	26,226,000	42,300,000	68,526,000
North Dakota.....	.19	81,510,000	42,370,000	123,880,000	3,534,000	5,700,000	9,234,000
Ohio.....	6.26	2,685,540,000	1,395,980,000	4,081,520,000	116,436,000	187,800,000	304,236,000
Oklahoma.....	1.02	437,580,000	227,460,000	665,040,000	18,972,000	30,600,000	49,572,000
Oregon.....	.93	398,970,000	207,390,000	606,360,000	17,298,000	27,900,000	45,198,000



Cost of foreign aid to the States for the 11 postwar years, July 1, 1945, to June 30, 1956, and additional cost if the President's request for fiscal year 1957 is approved—Continued

	Federal tax burden, percent-age	Net funds provided, July 1, 1945, to June 30, 1956			Funds requested for fiscal year 1957		
		Economic	Military	Total	Economic	Military	Total
Pennsylvania.....	7.12	\$3,054,480,000	\$1,587,760,000	\$4,642,240,000	\$132,432,000	\$213,600,000	\$346,032,000
Rhode Island.....	.52	223,080,000	115,960,000	339,040,000	9,672,000	15,600,000	25,272,000
South Carolina.....	.62	265,980,000	138,260,000	404,240,000	11,532,000	18,600,000	30,132,000
South Dakota.....	.23	98,670,000	51,290,000	149,960,000	4,278,000	6,900,000	11,178,000
Tennessee.....	1.17	501,930,000	260,910,000	762,840,000	21,762,000	35,100,000	56,862,000
Texas.....	4.22	1,810,380,000	941,060,000	2,751,440,000	78,492,000	126,600,000	205,092,000
Utah.....	.33	141,570,000	73,590,000	215,160,000	6,138,000	9,900,000	16,038,000
Vermont.....	.15	64,350,000	33,450,000	97,800,000	2,790,000	4,500,000	7,290,000
Virginia.....	1.49	639,210,000	332,270,000	971,480,000	27,714,000	44,700,000	72,414,000
Washington.....	1.60	686,400,000	356,800,000	1,043,200,000	29,760,000	48,000,000	77,760,000
West Virginia.....	.66	233,140,000	147,180,000	430,320,000	12,276,000	19,800,000	32,076,000
Wisconsin.....	2.00	858,000,000	446,000,000	1,304,000,000	37,200,000	60,000,000	97,200,000
Wyoming.....	.15	64,350,000	33,450,000	97,800,000	2,790,000	4,500,000	7,290,000
District of Columbia, Hawaii, Alaska, etc.....	1.25	536,250,000	278,750,000	815,000,000	23,250,000	37,500,000	60,750,000
Total.....	100.00	42,900,000,000	22,300,000,000	65,200,000,000	1,860,000,000	3,000,000,000	4,860,000,000

#### COUNCIL BULLETIN SHOWS COUNTRIES ABLE TO FINANCE OWN DEFENSE

Mr. MALONE. In addition to the above, the Council of State Chambers of Commerce issued its bulletin No. 142 on June 4, 1956, reviewing the entire 12-year foreign handout program, showing the carryover from previous appropriations, presenting a table of the ability of these nations to pay for their own defense, should they be willing to do so, instead of having United States taxpayers carry the load, and, more important, giving tables showing the percent of gross product spent by these nations on defense, and the total Government expenditures for defense of these countries for 1953, 1954, and 1955.

At the conclusion of this statement, the report on overseas economic operations by the Hoover Commission, submitted to the Congress last year, is cited; and the council calls attention to the fact that—

Certainly there is no reason to believe that any real moves to curtail foreign-aid spending will emanate from the bureaucrats who administer the program.

Accordingly, it concludes:

Large-scale foreign aid is likely to burden the American taxpayer for years to come, unless Congress assumes the full responsibility of cutting it off.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the Council of State Chambers of Commerce Bulletin.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

#### THE 12TH YEAR OF POSTWAR FOREIGN AID

The Congress has now reached the point in the congressional session when it begins to vote on how much American wealth may be pledged in the coming fiscal year for donation abroad. Two separate bills are involved in determining the size of the allowable pledge. The first is a legislative measure which authorizes the foreign-aid program for another year and sets ceilings on the amounts of money that can be appropriated for various foreign-aid purposes. The second is a bill which actually appropriates the funds.

When Congress completes action on these two bills for the fiscal year 1957, it will be the 12th consecutive year for which foreign-aid appropriations have been provided since World War II. And, according to the Secretary of State, the end to such appropriations is not in sight.

Before looking ahead to the prospective future burden of foreign aid, let's see how much assistance the American people, through their Congress, have already made available to other countries in the post-World-War-II period. The table below tells the story for the period July 1, 1945, to date:

*Foreign-aid funds paid out during the post-war period from July 1, 1945, to June 30, 1956, and foreign-aid funds available from July 1, 1955, to date*<sup>1</sup>

	Million
Grants paid out July 1, 1945, to June 30, 1955.....	\$41,842
Grants unexpended as of June 30, 1955.....	8,700
Appropriations provided for fiscal 1956.....	2,703
Total grants.....	53,245
Less: Returns on grants to June 30, 1955.....	1,493
Net aid in grants.....	51,752
Loans paid out July 1, 1945, to June 30, 1955.....	12,117
Grants converted to loans and not included in grants above.....	2,256
Loans authorized but not paid out June 30, 1955.....	2,433
Total loans.....	16,806
Less: Principal collected on loans to June 30, 1955.....	3,386
Net aid in loans.....	13,420
Total net aid.....	65,172

<sup>1</sup> Source: Office of Business Economics, U. S. Department of Commerce.

In each of the last 2 years several congressional leaders intimated that they would vigorously oppose any further substantial outlays for foreign aid. But when the chips were down and the issue was debated, no strong opposition leadership developed. While some reductions were made in the appropriations requested for both 1955 and 1956, they were not of sufficient size to slow down foreign-aid spending appreciably.

This year the Congress is considering a much bigger request than it did for 1955 and 1956. In fact, the \$4.9 billion which the President asked for is over \$2 billion more than Congress approved in either of those years. And some strong voices of congressional disapproval have again been heard, but it remains to be seen what Congress will finally do about the President's request.

#### House committee makes first move to cut

The House Foreign Affairs Committee has taken the first step toward cutting down our foreign-aid commitments in fiscal year 1957. The committee did this in the mutual secu-

rity authorization bill, H. R. 11356, which it reported to the House May 25. This bill, which extends the foreign-aid program through 1957, authorizes appropriations of not over \$3,563,475,000. This amount is \$1,109 million less than the \$4,672,475,000 new authorization which the President requested.

The committee's action brought forth immediate cries of protest from administration officials and from others who consistently advocate large foreign-aid programs. It is probable that an effort will be made to restore at least a part of the cut when the bill is taken up by the House June 6. On the other hand, there are many House Members who consider the \$3.6 billion authorization still too large. Accordingly, the chances are good that the House will approve just about what the committee recommended.

An all-out effort by the administration to get the House cut restored by the Senate can be expected. In fact, its heavy artillery is already trained at the Senate Foreign Relations Committee which will act on the mutual-security authorization after the House has passed it. But regardless of how successful the administration may be in the Senate, the opponents of continued large-scale foreign aid can still win out if they stick to their guns. In the first place, any differences in the House and Senate versions of the authorization bill will have to be ironed out. Then the process will start all over in the House when the President asks for appropriations. His request will have to be limited to the amounts approved in the authorization bill plus \$187.5 million which he has already requested on the basis of authority carried over from prior years.

#### Large unexpended balances noted

Of the \$1,109 million net reductions made by the Foreign Affairs Committee, exactly \$1,000 million is from the military-assistance request of \$2,925 million. The committee cut development assistance \$100 million and made a net reduction of \$9 million in defense support (economic aid) funds. The latter cut is the net of a reduction of \$15 million from a \$30 million allocation for Yugoslavia and increases of \$6 million in other items.

The administration's \$2,925 million request for military assistance includes \$760 million for Europe. In making its \$1,000 million cut the committee specified that no more than \$450 million may be used in Europe. Thus, the cut from military-assistance funds for Europe is \$310 million. The remainder of the \$1,000 million reduction is applicable to funds assigned to other areas and to non-regional funds.

In making its reductions the committee took note of the large unexpended balances of foreign-aid funds from prior years which will be available for expenditure after June 30, 1956. This availability of funds was estimated at \$6.4 billion in March, but the figure



has now been revised upward to \$6.8 billion. Here is a comparison of the funds that would be available after June 30, 1956, under the administration's request and under the committee's bill:

	Administra- tion request	Committee bill H. R. 11356
Military carryover.....	\$5,000,000,000	\$5,000,000,000
Nonmilitary carryover.....	1,800,000,000	1,800,000,000
Unexpended June 30, 1956.....	6,800,000,000	6,800,000,000
1957 appropriations under existing authority.....	187,500,000	187,500,000
New authorizations.....	4,672,475,000	3,563,475,000
<b>Total available July 1, 1956.....</b>	<b>11,659,975,000</b>	<b>10,550,975,000</b>

That the committee's reduction would hardly cripple the mutual security program is shown by the fact that there would be over \$10½ billion available for expenditure at the beginning of fiscal 1957. This would be enough to carry the program 2½ years at the present rate of foreign-aid spending.

*The ability and willingness of Europe to pay for defense*

A total of \$839 million of the 1957 appropriations requested by the administration for direct military assistance and for defense support is allotted to Europe, exclusive of Greece and Turkey. Another \$565 million for new weapons and other purposes is labeled as nonregional, but a substantial part of that total very likely is applicable to Europe. Then there is a \$642 million amount allotted to Mediterranean and Near East countries of which amount Greece and Turkey would receive a substantial portion.

On the basis of the above allotments it appears that at least \$1.5 billion of the \$4.1 billion total request for military assistance and defense support would go to Europe, including Greece and Turkey. Whether the ability and willingness of at least most of these countries to support their own defense programs have been thoroughly examined is not clear from available information. The International Cooperation Administration has statistics available, however, which point to their growing capacity to do the job. Following is a table illustrating this growth with indexes of gross national product for each country in 1954 prices:

	1948	1950	1952	1954	1955 <sup>1</sup>
Belgium-Luxembourg.....	82	88	95	100	103
Denmark.....	86	95	94	100	102
France.....	73	86	93	100	106
Germany (Federal Republic).....	47	70	86	100	110
Greece.....	64	77	83	100	106
Italy.....	70	80	89	100	108
Netherlands.....	75	86	88	100	108
Norway.....	82	89	95	100	102
Portugal.....	82	92	94	100	103
Spain.....	67	71	90	100	103
Turkey.....	73	78	98	100	109
United Kingdom.....	85	91	92	100	103
Yugoslavia.....	58	53	76	100	107
United States.....	81	88	98	100	107

Estimates by the International Cooperation Administration.

It is apparent from the above table that relative economic growth in all of these countries has been just about as great as in the United States and in some cases even greater.

Some idea of the effort being made by the European countries to provide for their own defenses can be gained from ICA statistics below. They show for the fiscal years 1953, 1954, and 1955 the share of gross national product and the share of total central government expenditures which each country has been devoting to defense.

	Percent of gross national product spent on defense			Percent of total Govern- ment expendi- tures spent on defense		
	1953	1954	1955	1953	1954	1955
Belgium-Luxembourg.....	5.9	6.6	4.5	21.7	23.9	20.3
Denmark.....	2.9	3.9	3.2	19.6	26.0	20.7
France.....	10.5	10.4	7.8	37.7	36.8	29.3
Germany (Federal Republic).....	6.4	6.0	( <sup>1</sup> )	22.7	21.2	( <sup>1</sup> )
Greece.....	7.1	7.1	6.3	32.1	30.2	30.0
Italy.....	4.6	4.5	4.4	20.6	20.5	21.6
Netherlands.....	5.3	6.7	5.9	20.0	24.7	23.1
Norway.....	4.7	5.2	4.9	25.0	27.3	28.6
Portugal.....	3.7	4.0	4.2	31.5	33.3	31.0
Spain.....	4.1	4.3	4.3	37.5	35.1	29.3
Turkey.....	6.2	6.9	5.7	40.0	40.0	35.2
United Kingdom.....	11.0	10.6	9.4	35.5	36.9	35.2
Yugoslavia.....	18.5	16.2	11.6	79.6	80.0	77.5
United States.....	13.8	13.2	10.9	67.3	67.8	62.9

<sup>1</sup> Not available.

These figures show a general trend in these countries toward lower defense spending in relation to both gross national product and central government budgets. They also indicate that the United States has been making a far greater contribution of its total national product and its National Government budget for defense than any of the countries except Communist Yugoslavia. And in the case of Yugoslavia the figures are distorted by the fact that a few years ago most nondefense central government expenditures were transferred to local government budgets.

*Is our foreign aid program here to stay?*

In a report on overseas economic operations submitted to Congress a year ago by the Hoover Commission, a majority of the Commission expressed concern with the continuing large outlays for foreign aid. This majority cited the fact that over \$50 billion had already been spent in the postwar period, that \$8 billion remained available for expenditure from prior appropriations, and that another \$3.5 billion had been requested for fiscal 1956. They concluded their separate statement in these words:

"Surely, after almost 10 years, the time has come to apply some brakes to this overseas spending program. We believe, therefore, that the Commission should recommend substantial reductions in expenditures for this purpose. By no other means will the growing trend toward permanent foreign spending be halted."

The administration did not, of course, go along with this recommendation, at least for 1957. And Secretary of State John Foster Dulles offers no real encouragement for lower foreign spending beyond 1957. He told the Senate Foreign Relations Committee some weeks ago that defense and defense-related aid "will have to go on so long as our security is threatened." Unfortunately, that situation may continue so long as the Communists control Russia. As for economic development assistance, the Secretary offered the hope that it may be taken over more and more by private capital, but only when political risks are lessened. When that might be, he did not suggest.

*Best hope for curtailment is congressional action*

Certainly there is no reason to believe that any real moves to curtail foreign-aid spending will emanate from the bureaucrats who administer the program. Such action simply is not in the cards, because the bureaucrat is rare, indeed, who finds reasons and offers recommendations for abolishing jobs. Moreover, it is the information and recommendations of the operating employees on which top administrators must rely, to a large ex-

tent, in developing proposals for consideration by Congress.

Accordingly, large-scale foreign aid is likely to burden the American taxpayer for years to come unless Congress assumes the full responsibility of cutting it off. But such action is improbable on the basis of the limited information now available to Congress. What is first needed is a thorough critical reexamination of the entire program. And the Congress itself, with the assistance of the best talent available, might well be the best body to make the investigation.

Some weeks ago Senator WALTER F. GEORGE, chairman of the Senate Foreign Relations Committee, proposed that a searching study of future foreign aid be initiated by Congress in time for completion before consideration of the fiscal 1958 aid request. Subsequently President Eisenhower agreed that such a study would be desirable.

It is probable that a special authorization by Congress will be necessary for the kind of investigation that should be made. The House committee did not, however, provide for it in H. R. 11356, although it considered the idea. It is to be hoped, therefore, that the bill will be amended to include an authorization for this investigation before it is sent to the President for approval.

FOREIGN VIEW OF UNITED STATES FOREIGN AID PRESENTED

Mr. MALONE. Mr. President, the New Bedford (Mass.) Standard-Times recently rendered what I consider a substantial public service by reprinting a statement by Raymond Cartier, executive director of the magazine *Paris-Match*, of Paris, France, and published in the *National Review* under date of May 2, 1956. The statement is entitled: "Why Does the World Hate America?"

The statement has also been published by the New Bedford Standard-Times as an advertisement in a number of other American newspapers and in other American cities.

Subheads include, "Vast American Aid Funds Bring Only Distrust and Hate," "Foreign Aid Calamitous for Helped as Well as Helper," and "United States Foreign Policy Should be Dictated by Realistic Self-Interest."

There is much common sense in this article. It shows, if any expression by a foreign editor can show, that Congress has been sold a bill of goods in voting for these billion and multi-billion dollar handouts for the past 12 years.

Why do we have to continue on year after year giving foreign countries money they do not need, goods they do not want, and pronouncements from the State Department they do not heed?

SELF-INTEREST OF AMERICA SHOULD BE OUR FIRST CONSIDERATION

Why cannot we look to our own realistic self-interest, as this editor suggests, and thus regain the respect of all the nations of the world, who eternally look to their own self-interest, and particularly so when they receive billion-dollar handouts from the United States without even being required to pretend friendship for this country.

I ask unanimous consent to have printed in the *Record* at this point in my remarks the article referred to, by the editor of *Paris-Match* as republished by the New Bedford Standard-Times and other American newspapers.



There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of June 12, 1956]

**WHY DOES THE WORLD HATE AMERICA?—A BLUNT STATEMENT OF THE FRENCH VIEWPOINT BY RAYMOND CARTIER, EXECUTIVE DIRECTOR OF THE MAGAZINE 'PARIS-MATCH,' PARIS, FRANCE**

(From National Review May 2, 1956, republished as a public service by the New Bedford (Mass.) Standard-Times)

(By Basil Brewer, Publisher)

If his arrival was not clandestine the word has no meaning. The only crowd was the police, closely guarding the Palam Airport.

Pandit Nehru had disdained to come, on the pretext that he was not only foreign minister but head of state.

And in the absence of an Indian foreign minister, Mr. John Foster Dulles, Secretary of State of the great Republic of the United States, was received at New Delhi by a functionary so minor that the American press agencies were ashamed to mention him.

They preferred to dwell on the fact that the Secretary of State had been gratified by a special and unusual favor—the authorization to fly over the Taj Mahal, in spite of the risk from vibrating motors to its fragile architecture.

A few weeks earlier Messrs. Bulganin and Khrushchev had arrived at this same Palam Airport amid the mobilized enthusiasm of the capital and the whole nation.

Delhi had been as red as a cock's comb—red with pleasure—under a grand array of waving flags which the police themselves had distributed to the people. A million persons, cheering the jovial Khrushchev and the debonair Bulganin, had lined the route along which the closed limousine of Mr. Dulles sped, as swiftly as an American hearse.

"The warmth of our reception of the Soviet leaders simply conforms to our national tradition," a slightly embarrassed Indian official had explained. "The Queen of England, or Mr. Dulles, arriving tomorrow, would be received with the same cordiality." Mr. Dulles arrived. He saw.

**DULLES ROAMS THE GLOBE IN QUEST OF FRIENDS**

It is not always easy to understand the case of Mr. Dulles.

Why, for example, did he choose to expose himself, and his country with him, to inevitable comparison in a Jakarta still vibrating with last year's acclamation of the Chinese President of Council, Chou En-lai? Nothing essential, said official Washington, nothing very important, motivated his conversations in Indonesia.

Mr. Dulles is already, by a wide margin, the record-holder in mileage for his category. If he added to that mileage; if he visited capitals which no longer have any touristic attraction for him; if he incurred a supplementary and superfluous fatigue; he no doubt hoped to improve his contacts, to reduce misunderstandings, to rewarm atmospheres.

In a word, to make himself liked—the very symbol of the aim which America has been pursuing desperately and disastrously for 10 years.

The case of India, alongside that of Mr. Dulles, is edifying.

America powerfully helped India to gain its independence. In the very midst of the war, President Roosevelt pressured Winston Churchill to grant complete political liberty to a country whose sympathies were almost entirely with Japan.

Liberated India became one of America's darlings—the great spiritually enlightened democracy which would follow arm in arm with America the bright road of progress,

Material aid was not omitted, even though the Delhi government always refused to undertake the slightest political obligation.

The United States subscribed \$20 million to the last 5-year plan of the Indian Republic, and the total of its gifts is some \$454 million. When the chronic Indian famine threatened to become tragic 3 years ago, America threw into the bottomless pit 2 million tons of wheat, part of which was lost through inefficiency.

Private aid—the phenomenal American private aid—has been added to this Government effort, representing for the year 1955 alone, nearly 25 million pounds of foodstuffs with a value of \$18,326,000.

American point-4 teams, and those of several large charitable organizations are at work in every part of the peninsula, helping the Indians to try not to die—while Russia has never offered to Indian distress the alms of a single sunflower seed.

**VAST AMERICAN AID FUNDS BRING ONLY DISTRUST AND HATE**

The dividends of these two policies are illustrated by the contrast between the reception of Mr. Dulles and that of Bulganin-Khrushchev.

There is certainly not a country in the world where America is more suspect as a nation, and the American more despised as an individual, than in India.

Nehru has never ceased to obstruct every American effort to organize the defense of Asia, but Nehru in this case merely interprets the distrust and animosity of his people.

When the Communists circulated the fable of American bacteriological war in Korea, probably not one Indian in a hundred thousand refused to believe it—just as not one in a hundred thousand doubted that the Americans were the aggressors.

The same quasi-unanimity admits as an absolute fact that the Americans dropped the first atomic bomb on Hiroshima, instead of a German city, because the Japanese are Asiatic and colored.

America could spend billions—and never succeed in effacing from the Indian mind the conviction that, more than any other nation, it represents the white man's privilege of aggressiveness and imperialism \* \* \* while Russia, whose colonial conquests cover half of Asia and reach to India's very gates, is synonymous with racial equality and emancipation.

Take even England. Theoretically she oppressed India for two centuries, fattened on its substance, built on its misery the insolent fortunes of Belgravia and Mayfair, shed Indian blood in cruel repressions.

Nevertheless today the Englishman—the hard, indifferent Englishman—compared with the American is to Indians a friend and brother.

No lesser person than Gamal Abdel Nasser told me recently that he had learned in conversation with Nehru this enormous difference in the degree of unpopularity of the two Nations.

But when I asked Nasser what he himself thought of the Americans he thrust out his chin and answered only: "I like their films."

What applies to India applies to all Asia. America in 1948 literally tore Indonesia from the Dutch—and in his Jakarta press conference John Foster Dulles was reduced to pleading the cause of his country before accusers.

Japan, guilty and beaten, was coddled by America like a newborn babe, reeducated with immense care in democracy and the cult of baseball, presented with \$2½ billion in accordance with the American system of reverse payment of war damages.

All of which resulted in the neutralist Hatoyama government, Tokyo crowds burning American vehicles, Japanese horror films on the atomization of Hiroshima—as if the Japanese were tender—and the immense,

bitter resentment of defeat slowly fermenting in this profound people.

**ASIAN NATIONS' ONLY COMMON INTEREST IS DISLIKE FOR UNITED STATES**

South Vietnam, Korea, and Formosa are border cases; they owe their every breath to America, yet even this does not always suffice to restrain the violence and impatience of their anti-American sentiment.

One could continue this world tour. It is the same everywhere.

Anti-Americanism is often the sole common interest of violently antagonistic nations or groups, as in South Africa where the whites curse America for its anticolonialism and the blacks blame it for its segregation.

Or in the Near East where the Arabs abominate it while the Jews accuse it of egoism and meanness. Latin America has not a single country where the anti-Yankee spirit does not preponderate.

The single fact that United States citizens have practically usurped the name of Americans causes a gnashing of teeth all the way to Canada, where, a Foreign Minister has said, "The time of automatically easy relations with our southern neighbor is ended, I believe, forever."

In Washington the accounts are kept. They are enormous. Since the war America has distributed to the world \$52,287,000,000, of which \$45,107,000,000 were gifts pure and simple. With this sum it could have rebuilt every road in the country, or created a super-aviation far beyond Russia's ability to compete.

Moreover, what was given away was not merely money but wealth, particularly raw materials of which America, with its intense activity, does not have unlimited reserves.

Strictly speaking, say the economists, foreign aid is national impoverishment. It is acceptable if it buys political advantages.

Otherwise, it is lunacy.

Western Europe always heads the list. It has received two-thirds of the \$52 billion distributed since the war by the United States Government. England leads with \$6 billion in economic aid, followed by France with \$5½ billion, Germany with a little under \$4 billion, and Italy with \$2,800,000,000.

Countries small in size but deeply shaken by the war, such as Holland, Austria, Greece, have cost the United States more than a billion each.

What is more extraordinary is that 11 years after the end of hostilities, when Europe is completely restored, private American generosity continues to feed a large number of Europeans.

France, an agricultural paradise, still receives from 14 philanthropic organizations almost 4,400 tons of foodstuffs, which is nothing compared with 66,000 to Italy and 33,000 to a Germany bathed in prosperity. The dollars which paid for these gifts, estimated at \$160 million in 1955 for the whole world, are collected from individuals of whom many are mere wage earners.

**PROSPEROUS FRANCE, JEALOUS BRITAIN VIE IN ANTIPATHY FOR UNITED STATES**

These public billions and private millions have not made Western Europe a much more favorable milieu (environment) for the United States than South America or Asia.

It is hard to say whether anti-American sentiment is stronger in England or in France. In France it is aggravated by Communist influence and at present overexcited by the events in north Africa; but in England it is fed by the intense frustration of a nation recently supplanted in its world role.

In any case, it crosses social barriers in the two western countries nearest to America.

The United States logically should have the sympathy of the working classes because of the condition of its own workers, and of the property-owning classes which it is protecting from annihilation by communism.



Yet more often it meets on the one side only principled opposition and on the other only misunderstanding, flippancy, often disdain.

Germany is not, for Washington, the consolation many Frenchmen imagine it to be.

There were those early days when the GI's felt less foreign in the conquered nation than anywhere else in Europe. But like Japan, Germany restored does not not have the unctuous humility of Germany in collapse.

The "go home" campaign began there, and the movement which is alienating the Bonn Government from American policy expresses the dominant attitude of the German people.

The idea of an exclusive alliance with an ideologically conquered Germany is no longer one of the variants in American planning.

It is curious to interview American officials on the universal anti-Americanism. In general they act as if the matter were not very important. "We hold," they say, "too much of a place in the world, and we are too rich, for American unpopularity not to be inevitable. No matter what we do we shall be criticized. We are making the best of it—it is for others to change."

But this defensive attitude masks a great perplexity and a serious disillusion. The State Department files are full of studies of the phenomenon and reports on remedial means. In the center of a powerful continental system, surrounded by armies all ready to march, Napoleon could allow himself the illusion of despising with impunity the opinion of foreign peoples. America, in spite of its wealth and power, is not in the same situation.

In Europe, the response to American wealth is an attitude of intellectual hauteur. Outside Europe, it is more simply a burning reaction of antipathy and envy.

America's desperate efforts to dissociate itself from colonial or ex-colonial Europeans, masters of yesterday's world, are in vain.

One: Americans are white; two: they are rich; three: they are the richest of the white peoples—three indelible facts which insure them, no matter what they do, the unfavorable prejudice of a majority of the world's inhabitants.

Americans do not share the resentment left by white imperialism; they take it more and more exclusively on their own shoulders. Their disinterestedness, even if sincere, does not exempt them from it.

Besides, a people fighting on a world field of battle cannot be disinterested. The Americans make themselves think they are, by considering the purity of their intentions and the quantity of good money which they throw after bad. But on this point the Arabs and Hindus are more perspicacious.

#### FOREIGN AID CALAMITOUS FOR HELPED AS WELL AS HELPER

Unfortunately there is little chance that America will change its attitude in the foreseeable future. Urgent voices are heard demanding that it stiffen its anti-colonial attitude and increase a foreign aid which, it is becoming clear, is calamitous for the helped as well as the helper.

"Whether we are criticized or not," said one Washington official, "we cannot let Iranian children die of hunger." A boundless idealism; a "do-good" conception of foreign policy; a conviction that all peoples should be free and all men electors; these ideas still reign firmly in Washington.

In the burning affair of North Africa, the State Department energetically eschews the slightest anti-French intervention, but official as well as public sentiment is categorically declared in favor of total independence for Algeria, Tunisia, and Morocco.

The precedents of the past 10 years; the decline of every liberated country into communism or neutralism; the dizzy growth of anti-Americanism in decolonialized Asia; the

fact that liberated north Africa will join an Arab league which is practically Moscow oriented; the further fact that the loss of north Africa will push France itself—humiliated and desperate—into the Soviet system.

These realistic arguments, these indisputable truths, are unavailing against a sentimental enthusiasm that comes from a misinterpretation of history: The United States was born of a colonial rebellion (which is a false notion), and consequently all colonial rebellions deserve its sympathy.

#### UNITED STATES FOREIGN POLICY SHOULD BE DICTATED BY REALISTIC SELF-INTEREST

It is terribly difficult to be the dominant power of an epoch. The Washington officials are not wrong in saying that anti-Americanism will exist, no matter what America does, so long as the United States holds its present rank. But anti-Americanism is also maintained by faults in judgment and by grave and avoidable errors. One of the most frequent is America's incapacity for taking sides. Its most general mistake is obedience to ideology, or more exactly to an intellectual confusion in which ideology and egoism blend and obscure one another.

There would be less anti-Americanism in the world if America abandoned its philanthropic aspirations, its vocation of Santa Claus, its transcendental morality, all its missionary trappings, all its boy-scout gear, and if, at last, it followed openly and intelligently the policy of its own interest.

#### FOREIGN AID MEANS HIGH TAXES

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an article by Henry Hazlitt titled "Foreign-Aid Mania," published in the magazine Newsweek, issue of June 4, 1956.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### FOREIGN-AID MANIA

(By Henry Hazlitt)

One of the most baffling developments of the last decade has been the persistence and growth in Washington of the mania for giving away billions of the American taxpayers' money to foreign governments. The pressure for ever-greater farm aid, old-age assistance, grandiose roadbuilding programs, home-mortgage guaranties, and a score of other projects is not difficult to understand politically. The pressure groups who want and get this aid have votes. But foreigners don't vote here. Why is the pressure for foreign aid in Washington so persistent?

Part of the answer, no doubt, lies in an established bureaucracy. Once a bureaucracy of hundreds of thousands of people is built up to exercise any function whatever, its tendency is to keep pushing for the continuance or expansion of that function, regardless of whether changed conditions may have made the original reasons for it no longer valid.

#### AID MEANS HIGH TAXES

This bureaucratic pressure is not in itself a complete answer to the puzzle. And certainly the answer is not that the amounts involved are negligible. We have already turned over to foreign governments since the end of the Second World War the enormous sum of more than \$50 billion. The Government now wishes to spend \$4.4 billion on foreign aid in the next fiscal year alone. It wishes Congress to appropriate \$4.9 billion. At any time prior to the last 15 years this would have been thought a staggering sum. It represents four times the entire amount spent for our own national defense in the fiscal year 1939.

But perhaps it is more meaningful to make a comparison in terms of present taxes. It has been estimated that if the top progres-

sive income-tax rate stopped at 50 percent (instead of going on to 91 percent as at present) the revenue loss would be only \$1.2 billion. On various estimates, in fact, if progression above the basic rate of 20 percent were totally abolished, the annual revenue yield would be only \$4.7 to \$5.8 billion less than now. But this approximates what the Government is asking for foreign aid alone in the next fiscal year. In any case, anyone who is now paying a top income-tax rate of more than 22 percent can consider that the excess all goes for foreign aid. It need hardly be pointed out that if the top rate stopped at 22 percent, the result would be to give an enormous impetus at home to incentive, saving and investment, production, and jobs.

As former hopes of the benefits from foreign aid have been successively disappointed, the rationalizations for its continuance keep constantly changing. They become increasingly rhetorical and vague. We are now being told by experts that we are placing too much emphasis on military instead of economic aid; that our foreign giveaway should be given away without conditions; and that we should not try to foster free enterprise abroad or even to win friends with our aid. If such arguments are accepted, it becomes difficult to see what excuse for foreign aid remains. As National Review has put it: "A government has no right to dispose of the property of its citizens, except as their prudent, responsible steward and in their palpable interest. A government has no obligation, moral or political, to give aid to other governments." In fact, the only foreign aid Congress is justified in giving at the expense of the American taxpayers is military aid or aid with a definite quid pro quo.

#### FOR PRIVATE LOANS

The blunt truth is that the only "economic" foreign aid that is likely to be beneficial either to the receiver or the giver is that in the form of private trade or private loans and investments. If foreign governments could no longer get these easy hand-outs from our Government, they would be forced to turn for capital to private sources, either at home or abroad. In that case they would be obliged to move toward free enterprise. They would have to give real assurances against socialization or expropriation. Such reforms are necessary in any case for any permanent or rapid economic development. The underdeveloped countries have remained underdeveloped chiefly because of their own hostility to the profit-seeking system.

#### THREE EDITORIALS SHOW HOW UNITED STATES TAXPAYERS' DOLLARS WASTED

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in my remarks three editorials from the Wall Street Journal, published consecutively on April 3, 1956, May 24, 1956, and June 16, 1956, and titled respectively "How To Cadge Dollars," "Military Aid Illusions," and "The World and Us." They are all brief and have each a bearing in my opinion on the matter before us today.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of April 3, 1956]

#### HOW TO CADGE DOLLARS

Let us suppose that you were the premier or president of a country that considers itself underdeveloped and would like to have some United States dollars to fix things up.

You would, of course, have been reading in the American press that the New Look in foreign aid is to keep it flexible. Or, as one Washington dispatch put it, to make possible fast adjustments in who gets how



much from the United States in order to meet Soviet rivalry.

In other words, the new idea is to avoid the hobgoblin of consistency but be ready to shift our dollars around from one country to another as countermoves to offers of aid or friendship to those countries from Soviet Russia.

You would also have been reading about how the new United States foreign aid emphasis is upon projects that stir the imagination, the big things that can be photographed in Cinemascope and propagandized with stereophonic sound. That way we get more of a run for our money than with such dull prosaic things as developing foreign trade, supporting currencies, or providing technical know-how.

Well, if you were at all bright, this New Look in foreign aid might give you some pretty good ideas on how to go about cadging dollars.

The first thing that might occur to you is that it is better to be wooed by the Soviets than not to be loved at all. The poor country that is struggling along firmly dedicated to freedom, democracy, and western civilization would not seem to be in as good a receiving position as a country that flirts with the Communist empire.

The second thing is not to pay too much attention to what kind of economic aid might really be best for your hypothetical country, but to concentrate instead on the spectaculars that will catch the imagination of the American dollar-givers.

Both of these things, for one example, seem to have occurred to Premier Nasser of Egypt. One project he has in mind, the Aswan Dam on the Nile, is certainly spectacular; it promises to outdo the pyramids. And just the other day he blandly announced that he still has in his pocket a Soviet offer to help finance the dam if the West (primarily the United States) should demur. This is something well calculated to fit into the new look in Washington. The mere thought that something might be done with Soviet money is enough to tempt Uncle Sam's pocketbook.

The Nasser technique is particularly interesting because Mr. Nasser's stock with the State Department has gone up and down like this spring's thermometer. The State Department started out being very high on Mr. Nasser. Then it cooled off. And now it is again anxiously feverish about him.

But we suppose that is a thing one has to expect when the foreign aid program is to be used flexibly to counterbalance Soviet moves. We assume the moral of it is not lost on other countries which would like to be in line for United States aid.

The moral, of course, is that if this is the way we are going to manage our foreign aid program then it is neither need for true friendship but gamesmanship that will best cadge those dollars.

[From the Wall Street Journal of May 24, 1956]

#### MILITARY AID ILLUSIONS

Most of the congressional criticism of foreign aid, over the lengthening years, has been directed at economic assistance. Military aid, because it seems an extension of our own defenses, has been treated as almost untouchable.

Now, however, the House Foreign Affairs Committee has recommended that the administration's total \$4.9 billion aid request be cut by \$1.1 billion, almost all of it to come out of the military program. It is probably doubtful that a reduction of this size will stand, but at least it shows that Congress is beginning to ask some of the basic questions about military aid that it should long since have asked.

One question, of course, is why the administration should find it necessary to ask

for an increase in the military aid request anyway. Grafting for the moment—but only that—the argument that our allies' obsolescent equipment should be replaced by us, there would still be some \$5.2 billion in unexpended military aid funds, according to Foreign Affairs Committee Chairman RICHARDS, even if Congress voted not a further cent.

But a more important question concerns the very premise of military aid, as it is currently accepted in Washington. The original idea was that the United States would help its allies get started on rearmament. Once they had amassed sizable forces, they would maintain them on their own. Now the thinking is that they will probably never be able to do this, and the United States will have to spend several billions a year indefinitely on their military establishments.

In other words, they can't afford the kind of defense the United States would like them to have. Whether they really can't afford it is debatable. Certainly their enthusiasm for joint defense has dwindled. France, for example, diverts many American-financed divisions to quell what it regards as a domestic revolt in North Africa. Undoubtedly a necessary step from France's point of view, but hardly the reason the United States gives military aid to France.

But if it is true that the allies can't afford their present defenses, then their defenses rest on a very shaky foundation. A military machine that must forever be fueled from outside is an economic monstrosity for the nation maintaining it.

It could also be a military liability for such a nation. For when the United States finally decides it can no longer afford to keep buying this luxury, the adjustment will be more drastic for the beneficiaries than if the sights had never been set so high in the first place.

Perhaps a substantial reduction in military aid now would cause the allies to exert more efforts of their own in the interests of their own defense. Indeed, it is possible nothing else will.

In any case, however, it is far beyond the call of any political or moral duty to suppose that the United States should pay others' military bills not once but over and over without end. If the allies are unwilling or unable to pay their own bills, the United States may well find it is buying not an indispensable extension of its own security, but an illusion of defense.

Representative VORHS, complaining about the size of the recommended cut, said yesterday the Joint Chiefs of Staff think it would force a major revamping of America's military aid program. That is exactly what should happen.

[From the Wall Street Journal of June 10, 1956]

#### THE WORLD AND US

For many years a prime function of American foreign policy has been the manufacture of defense alliances with other countries. Apart from the United Nations, which theoretically at least is an alliance, the United States has concluded such pacts with more than 40 nations. Now circumstances are forcing a reappraisal of the value of this approach.

That, we think, is the import of the confusion which Washington has been generating about this country's attitude toward other nations' neutrality. President Eisenhower said in effect that neutrality is understandable and maybe a good thing. Secretary of State Dulles suggested that, except in unusual circumstances, it is shortsighted and immoral.

The confusion may be, as Mr. Dulles contends, largely one of language. But the problem it reflects is real enough.

The reason for the American eagerness for defense alliances was, of course, the threat

and at times the actuality of Communist aggression. Some pacts, like the North Atlantic Treaty Organization, have undoubtedly helped deter further Communist aggression.

Something happened, though, at last summer's Geneva conference to alter the aspect of the Soviet threat. There was a tacit agreement that hydrogen and other new weapons had made resort to war unthinkable. In other words, the Communists would no longer pursue their aims by military means where such means might lead to global war.

That notion may be the sheerest kind of wishful thinking. It may be more likely that the Soviets will blast this country when they are good and ready. Certainly the Pentagon assumes they will. But the fact is that the no-war theory is widely accepted in the world.

And whatever the Soviets' military intentions, they have in fact turned from angry to soft words, directed mainly at the so-called neutral nations of Asia and the Middle East. This combination of circumstances makes America's policy of military alliances increasingly unpopular in the world, and therefore increasingly ineffective.

So the United States now appears to be trying to evolve a policy which will not anger nations that have risked something to enter alliances with this country, and which at the same time will make clear that there is ample room in the world for genuinely neutral nations—that they do not have to be with us in order for us to consider them not against us.

What will come of this reappraisal is anybody's guess. But we think a couple of basic points ought to be clear.

One is that the United States has put too high a value on defense pacts. Indiscriminate scrambling for allies is a dubious way of strengthening our own security. It is fairly absurd to suppose that some impoverished, politically illiterate Asian country is going to view the Communist threat with the same seriousness or interest as the United States. It is equally unlikely that such a country would be much help if the Communists did attack.

A second point is that the answer to the declining prestige of military pacts is not vast new economic aid. There is nothing to suggest that such aid makes neutrals less susceptible to communism or, indeed, that it even significantly strengthens the economies of backward lands.

The growing unpopularity of pacts ought, in fact, to suggest to the United States that the world has been too much with us, and we too much in it. Perhaps we could just calm down for a while. Instead of proposing defense alliances all over the place, let other nations ask our military help if they want it. Instead of insisting on subsidizing them, let them ask our aid. That is the only basis on which military or economic aid can be useful anyway.

That kind of policy could be applied to allies and neutrals alike. It would go far toward resolving the neutrality problem now bothering Washington. And its results, in terms of the world's attitude toward us, might be surprisingly refreshing.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial article by William Henry Chamberlin published in the Wall Street Journal on May 15, 1956, titled "Dead End—The American Foreign Aid Route for Winning Friends Among Neutral Nations Has Proved a Blind Alley."

There being no objection, the editorial-article was ordered to be printed in the RECORD, as follows:



**DEAD END—THE AMERICAN FOREIGN AID ROUTE FOR WINNING FRIENDS AMONG NEUTRAL NATIONS HAS PROVED A BLIND ALLEY**

(By William Henry Chamberlin)

So-called lend-lease aid to nations fighting against Germany, Italy and Japan was advocated as an essential means of winning a war that would usher in an era of peaceful cooperation among peoples. The war was technically won; but the era failed to materialize. Since the end of hostilities against the Axis the United States has disbursed close to \$55 billion in relief, economic aid and military assistance to foreign powers.

The sum is considerable, even in this age of easy spending and currency inflation. Had it not been spent at all, American individual citizens would have had much more money to spend or save. Had it been spent directly on such defense objectives as intercontinental bombers, guided missiles and scientific teaching and research, there would probably be fewer pessimistic comparisons between American and Soviet accomplishments in these fields.

It would be unfair and unrealistic to write off this whole expenditure as a total loss, although some items, like the subsidization of the French colonial war in Indochina seem to fall in this category. Had it not been for United States aid, the recovery of Western Europe would not have been so rapid. Japan, Korea, and Formosa would be in much worse shape than they are, and one or more of these Pacific bastions might have fallen.

However, at a time when there is a good deal of agitation for continuing and expanding some of the most debatable aspects of America's giveaway program, it seems worth remembering that in two respects this program has not lived up to the claims and expectations of its advocates. It has not made America or Americans particularly liked. And, what is more important, it has not transformed the beneficiaries into reliable allies or, in some cases, even into friends.

**DOLLARS VERSUS EMOTIONS**

It should be clear by this time that dollars, even a great many dollars, will often not outweigh stronger political and emotional factors. Take the case of India, for instance.

American aid to that country has been far in excess of Soviet aid. But a red carpet of organized cheering hosts was prepared for Khrushchev and Bulganin, while Secretary of State Dulles, on his visit to New Delhi, was given the chilliest reception compatible with formal correctness. Prime Minister Nehru of India is frequently and sharply critical of American policy, seldom if ever critical of Soviet and Red Chinese actions.

There is no reason to believe that this situation, an outgrowth of Indian antagonism to what its leaders like to call western imperialism and materialism plus Indian resentment toward America's anti-Communist policy, would change if the United States doubled or trebled its giveaway program to that country.

Greece offers another illustration of the same point. The United States poured into Greece for economic reconstruction and military aid over \$2 billion, a considerable sum for a small country. But at the present time the Greeks show far more inclination to be resentful over Cyprus and over American failure to induce Great Britain to consent to the union of that island with Greece than to remember the American aid. There are many similar examples.

It should be clear to us by this time, after the expensive education we have received, that favors between nations, like favors between individuals, do not always make for friendship, and sometimes make for the reverse. Such favors, if they are too one-sided, can easily arouse a defensive psychology of envy and a suspicious tendency to seek ul-

terior motives for the behavior of the bountiful giver.

**TARGET OF THE MOBS**

The United States Information Agency is sometimes made the scapegoat for these attitudes. And it is an ironical fact that when foreign mobs go on the rampage the first building they seem to attack instinctively, perhaps because it is apt to be large and prominent, is the office of the USIA.

But even if all our information agency representatives spoke with the tongues of angels, it is doubtful whether they could succeed in overcoming the psychological reaction of envy and suspicion generated by the spectacle of a country so rich that it is able to give away so much, and perhaps sometimes in rather too lavish and ostentatious fashion. The number of American automobiles with diplomatic immunity in the heyday of the Marshall plan was a subject of some acid comment.

In any case, there is something repelling about government-to-government aid, with its inevitable overlay of bureaucratic procedure. Private undertaking is an entirely different matter, when it is accompanied by friendly interest and a complete absence of anything savoring of a superiority complex. The American Friends Service Committee has earned widespread international goodwill by sponsoring humanitarian and reconstruction projects in which young men and women work with their hands on local jobs.

**INCIDENTAL UNDERSTANDING**

American educational enterprises like the American University in Beirut, Robert College in Istanbul and similar institutions in Japan, China (until the bamboo curtain fell) and other Asian countries won much incidental friendship and understanding for America among the native students whom they attracted.

While there are cogent practical reasons for continuing to subsidize reliable allies, in the interest of our own security, no particular benefit is likely to accrue from increasing handouts to uncommitted and sometimes unfriendly neutrals or from channeling American aid through that Tower of Babel, the United Nations. As a means of winning friends and influencing people lavish Government aid has proved a dead-end street, which only the blind would continue to try to travel.

**EUROPE'S CAPACITY TO PRODUCE BUILT BEYOND CAPACITY TO CONSUME**

Mr. MALONE. Mr. President, it is time for the common horse sense of this body to take over. We have built the production capacity of the European nations far beyond their consuming capacity. As a matter of fact, in 1948, when the Marshall plan was first proposed, I stood on the floor of the Senate and said that any industrial engineer could say at that time that the European nations were being built beyond their capacity to consume, and that therefore they had to sell to someone. They could not sell to each other. They could sell to us and to Communist countries, or both—and they are selling to both.

**WHY BUILD CHEAP LABOR FOREIGN INDUSTRIES TO DISPLACE AMERICA'S OWN WORKERS**

Russia can become self-sufficient in the production of everything she needs, for war or peace, in a very reasonable time. So I ask, Is it not time for use to stop trying to send money abroad to buy our own goods, which we are not otherwise able to sell abroad? Is it not time that we quit building industrial plants throughout the world to use the cheap labor of the world for the pur-

pose of displacing American workingmen?

I thank the Senator from California and the Senator from Louisiana.

Mr. KNOWLAND. Mr. President, I yield 10 minutes to the distinguished Senator from Georgia, chairman of the Committee on Foreign Relations.

Mr. GEORGE. Mr. President, I do not care to take much time on this amendment.

If the pending amendment is agreed to, it will very seriously reduce the allocations to all Central and South American countries. Those who are interested in South America or the Latin American countries would do well to study what this amendment would mean.

I wish briefly to refer to the so-called unexpended balances at the end of the fiscal year. All the testimony before the committee—and we went into the subject in great detail with every witness who could shed any light on it—indicates that at the end of this fiscal year, which is certainly in sight—it is just around the corner—the actual unobligated amount of prior appropriations will be less than \$350 million.

We have approved another amendment, providing that all the unexpended balance which is not definitely obligated or reserved, except \$200 million—and except for 2 other items—shall go back into the Treasury anyway on the 30th of this month. So there is no unexpended balance, in the sense that there is a large sum of money that would be available for future expenditure.

The real money which will be available to the administrators of these funds will be whatever is authorized by this bill and subsequently appropriated by the Congress.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I yield for a question.

Mr. SALTONSTALL. Is it not true that if we appreciate this year the amount authorized, it is estimated that practically the same amount will be expended during the 1957 fiscal year? In other words, the appropriation and the expenditure in the fiscal year 1957 will be almost the same?

Mr. GEORGE. Very nearly the same.

Mr. SALTONSTALL. So the unobligated balances certainly will not increase?

Mr. GEORGE. The unexpended balances are already obligated; and every man who has made a conscientious study of the bill knows it. Hour after hour and day after day we labored with it. When Senators talk about unexpended balances, in the face of all the testimony we received, if those witnesses are reliable and responsible, such so-called unexpended balances simply do not exist in the sense that they are available for obligation.

As I have said, in the bill there is an additional amendment, providing that not more than \$200 million should be carried over at the end of this fiscal year. So there is nothing to it except what is to be appropriated this year.

A great deal is being said about how the countries with which we are asso-



ciated are lying down on the job and doing nothing. Against those words, let me place this statement in the RECORD:

The North Atlantic Treaty Organization countries, exclusive of Germany, have an authorized military strength in that organization, or available today, of 3,500,000 men, against the United States 2,080,000 men.

The other NATO countries have divisions, or equivalent forces, of 90, as against our 20. Are they doing nothing? Are they making no contribution?

In air power, they have more than 250 squadrons. We have more than 125 wings.

With respect to active naval vessels, all the other countries in the NATO organization have a total of about 1,400, as against our 980.

Consider next the total national product. That is the real test of whether they are doing anything or not.

The total national product of the NATO countries is \$152,200,000,000, as against our national product of \$387,200,000,000.

The total gross national product after defense expenditures of all the North Atlantic Treaty countries is \$141,800,000,000, while our total gross national product after defense expenditures is \$346,500,000,000.

Now let us compare the per capita gross national product of all the NATO countries with the per capita gross national product of our country. The per capita gross national product of all the NATO countries is \$719, against \$2,343 in the United States. The per capita gross national product after defense expenditures of all the North Atlantic Treaty countries is \$670, against \$2,097 in the United States. Yet it is said that the NATO countries are doing nothing.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. GEORGE. No; I shall not yield at the moment. I shall be glad to yield later. It is said they are doing nothing; that they are doing nothing compared to what we are doing.

Mr. President, let anyone who thinks we can reduce the amount of money in the bill by the amount carried in the proposed amendment see what it will do. The total amount of the committee amendment in dollars, with no unobligated balance except \$200 million, is \$4,270,075,000. The amendment proposes to reduce the amount to \$2,765,875,000, a total difference of \$1,504,200,000.

Let anyone who is interested in Latin America or in South America or in this continent see what will be left for those countries if we cut this bill by that amount.

Do we not owe something to our friends in this hemisphere?

On Wednesday I said if the bill were reduced by any such extravagant amount as this, our country would head into real isolation. It would head into a stagnant philosophy, a stagnant economy, a stagnant commerce. We will certainly have isolation in this country if we lose all the friends we have in Europe.

I am satisfied that the Senate will not vote for the pending amendment. I

merely wished to make this statement before a vote is had on the amendment, because if the amendment should carry we will reduce all the chance we have for peace in the world. After all, as the Chairman of our Joint Chiefs of Staff said in his final words to our committee:

In the aggregate, I am convinced that our mutual-security program is our best instrument for building up and maintaining the collective strength of the free world for the common defense.

The PRESIDING OFFICER. The time of the Senator from Georgia has expired. Do both sides yield back the remainder of their time?

Mr. LONG. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 17 minutes remaining.

Mr. LONG. Mr. President, I yield 5 minutes to my colleague from Louisiana.

Mr. ELLENDER. Mr. President, I shall ask the indulgence of Senators for only a few minutes. I spoke for more than 2 hours this afternoon on the bill. All I wish to do is to add more emphasis to some of the points I made this afternoon.

A moment ago I rose to ask a question of the distinguished Senator from Georgia. He refused to yield. My question would have been, What about the debt structure? He talked about the gross national product. As I pointed out this afternoon, our country owes more money than all the countries of the world put together. That fact should be noted in the RECORD also.

Mr. President, I said this afternoon that if we continue to spend money at the rate we are now spending and at the rate advocated by Mr. Dulles, of as much as \$40 billion a year, we will not need any armed services. Taxes will keep on rising. If we wish to destroy initiative, let us take that course.

I pointed out this afternoon the vast sums of money we have been spending since 1948 in order to put the countries of western Europe on their feet.

We have spent far more than we anticipated we would spend. The program called for about \$17 billion. We have spent over \$23 billion in delivered goods, and we still must deliver—and this for Europe only—\$3,618,000,000. That is as of March 1, 1956.

Anyone with commonsense ought to know that we cannot keep that up and hope to survive.

We have appropriated for military assistance to the countries of western Europe \$9,181,320,000. Since these appropriations have been made, we have spent only two-thirds of that amount, and we still have, as of February 29—those are the latest figures I have—we still have in the kitty, for delivery, more than \$3½ billion. This year's program calls for an additional \$760,471,000 for countries which are as well off as we are and are as able as we are to carry on, notwithstanding the statement just made by the distinguished senior Senator from Georgia.

Take the Near East, Mr. President. We have delivered in goods and materials up to this time over \$3 billion. We still have in the "kitty" almost a billion

dollars, and the bill provides for that area \$884 million additional.

Take Asia, Mr. President. We have spent there more than \$5½ billion, and we still have in the "kitty," as of February 29, almost \$3 million left to spend.

The program for that area will be in excess of \$2½ billion.

Why can we not cut something out of that? The great trouble with expenditures for military aid is that there is available today for Asia more than a billion and a half dollars, and we are providing a billion and a third more. The program is going to fast. We should take the money appropriated and spend it more slowly, in keeping with the ability of the people there to absorb it and to understand what we are trying to teach them, not to let it over their heads. We should start at the bottom of the ladder. That is what we should do.

Mr. President, I have spent a good deal of time in that area, and I have seen how, in many cases, our money is being frittered away, how it is being wasted, because we are trying to do the job too rapidly. We should teach the people in accordance with their ability to absorb what we are trying to teach them. But we go beyond their mental capability and the physical ability of the people to carry on projects after we erect them.

Mr. President, I plead with the Senate not to increase the amount. All we are asking for is the same amount appropriated last year for these purposes, and that the executive department distribute it to the best advantage.

Mr. LONG. Mr. President, I yield 5 minutes to the Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, this is the ninth consecutive year that as a Member of the Senate I have been called on to vote on the foreign aid program. I have always supported the overall program, including appropriations therefor, after voting for certain reductions in 1954 and 1955. For the last 2 years I have supported the program on the hope that it would be improved and would be gradually reduced in the overall amount.

In a broad way, those sponsoring the program have held out hope continuously for reductions, always to begin about 2 years in the future. Nevertheless, this year we are confronted with the request for an amount almost double the sum provided last year.

The sums authorized for the past several years, together with the request for the year 1957, are as follows:

*Foreign aid appropriations—By billions (from beginning of Marshall plan)*

Fiscal year	Military aid	Other	Total
1948-----	\$0.392	\$4.9	\$5.4
1949-----	.213	5.4	5.65
1950-----	.524	3.6	4.15
1951-----	1.47	3.1	4.63
1952-----	2.66	2.3	5.04
1953-----	4.34	2.0	6.41
1954-----	3.23	1.5	4.76
1955-----	2.21	1.7	3.95
1956-----	.7	2.0	2.7
1957-----	3.0	1.86	4.86

From end of World War II through December 31, 1955, the total amount of \$53,151,000,000 was actually delivered to countries.



In addition, on December 31, 1955, there was an unexpended balance of \$9,300,000,000 on hand, appropriated for the program.

There is now pending the request for an additional \$4,859,000,000 in appropriations.

As one supporting foreign aid in the past, I have reached certain conclusions about the program and I accept the program as a part of our foreign policy.

First, I think we shall make a great mistake to try to outbid Russia in her new field of activity of economic aid to various nations of the world. We must call her hand on her new policy of economic aid and see just what she will deliver to these other countries. I do not believe that there will be any substantial delivery on these promises—but further, I do not believe there is any chance of obtaining and holding the good will of any nation by merely outbidding some other nation that may be offering aid.

Second, I think there must be a thorough reappraisal of this entire foreign-aid program, a reevaluation and a new start taken. This is no hasty decision on my part. I announced this firm conclusion in January of this year.

As a part of this new start on a program of foreign aid over the years, we should convert the program largely into long-term loans at low rates of interest for projects that the people of the countries involved are really interested in and will be willing to put up some of their own money to complete. In this way, the administration of each country, as well as the people have a real stake in the program.

I believe that this is the only sound, long-range program that will stand the test of time, and that until we do this it will be an annual battle on the foreign aid question, with a mass of conflicting facts and propaganda thrown at the people and at the Congress. The general trend of this annual debate on this subject tends to confuse the people and decrease their faith in the program as a whole.

Further, I am fully convinced that the only thing that will really insure a reappraisal and a new start is a firm stand and demand therefor by the Congress. It is our responsibility as we are the only ones who can appropriate the money.

The drive to obtain these funds, year and year, by those charged with administering the program has actually gone so far that one responsible, high-level witness, testifying a few days ago before the Senate Appropriations Committee in behalf of the foreign aid program, actually said: "I am here to sell a bill of goods."

#### MILITARY AID

In connection with military aid, I expect to support a figure at approximately what we voted for fiscal year 1956.

I think the military-aid program has been of value to us and would not want to see it abandoned. At the same time, my own, on-the-ground observation of some of its units in Europe has made it clear to me that a mere pouring out of

large sums of money in these countries by the United States will not increase our military protection or theirs. The aid that we are giving them is largely in keeping with their own effort.

Frankly, I do not think the American people will much longer support a draft law that requires their sons to serve for considerably longer periods of time than that served by the young men of nations we are aiding.

I strongly support military assistance to Western Germany, but think the time has already come when they must show more actual results in building their own military strength, not only in weapons but in men with the spirit to make their military effort a success.

#### TECHNICAL ASSISTANCE

This program, which has had my consistent support, is a disappointment when you see it in actual operation in the field.

The administrators of our program are necessarily at the mercy of the administration in each foreign country. In a large measure, the programs approved are designed more to benefit those in favored groups than the masses of the people.

This program too must be reevaluated. I am satisfied we have employed too many people and have pushed the program too rapidly.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. LONG. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana has only 3 minutes remaining.

Mr. LONG. Mr. President, before me is a book which every Senator should have an opportunity to study before voting on this amendment or on any other amendment involving unexpended balances.

We are told that the money is allocated or reserved, which means that we will expect to give Country A so many millions of dollars and expect to give it so many tanks, guns, planes, and so forth. That does not mean it will ever get any of the value represented, but that is what they have in mind at the time. It can be held up; the administration can scratch the figures out and change them around.

That is the only reason why this book, with all the details, is confidential. Just as the chairman of the committee explained yesterday, we would not want to disappoint those countries and have them depending on the money and not receiving it.

In 1953, Mr. President, I stood on this floor arguing on a bill for the fiscal year 1954. The unexpended balances then were \$10 billion. I was urging that we cut down on the amount authorized, which was \$4,700,000,000. If we had not passed a single appropriation since that time, the amount which was on hand at this time would have been sufficient to carry on the program.

Instead of increasing the amount we are appropriating from year to year, we should do what we have been doing every

year since 1952, namely, appropriating less. That does not mean the administration has to spend less. It can spend twice as much if it wants to. Last year the administration spent \$3,770,000,000.

The senior Senator from Georgia picked the \$35 million for Latin America. It could be subject to reduction, also, although it is a very small item compared to the others and should be left alone.

I believe the Committee on Appropriations will show the good judgment to make certain that that item is left in should the amendment be agreed to.

Furthermore, I never said the European countries are not doing much. I never said they are not doing anything. I said that when the argument is made that they are putting up \$10 out of every \$11 for their own defense, the fact is overlooked that they are totally capable of putting up the entire \$11.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

The Senator from California has 5 minutes remaining.

Mr. KNOWLAND. Mr. President, I am prepared to yield back the remainder of my time. I hope the amendment of the Senator from Louisiana will be rejected. I fully support the position taken by the chairman of the committee, the Senator from Georgia [Mr. GEORGE].

I ask unanimous consent to have printed at this point in the RECORD a statement made by Adm. Arthur Radford before the Committee on Foreign Relations on the effects of the House cuts in the proposed military assistance appropriations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY ADM. ARTHUR RADFORD ON EFFECTS OF HOUSE CUTS UNEXPENDED BALANCES

The Department of Defense estimates that \$5 billion of unexpended balances of prior appropriations will exist on June 30, 1956. There seems to be considerable feeling that these unexpended balances make new appropriations largely unnecessary, and that undelivered items designed for Europe could be diverted to other parts of the world. Both these impressions are incorrect.

Appropriations of earlier years have been obligated (or reserved) to procure items, now on order, which will be furnished to our allies principally in fiscal years 1957 and 1958. The money will not be spent until the items are delivered. However, the money is firmly committed.

The major part of the appropriations sought for fiscal year 1957 will be to enable the Department of Defense to place orders in that year for delivery in fiscal year 1958 and in fiscal year 1959, after the money from existing appropriations has been spent. The production lead times of the various items to be ordered were carefully considered in this request for funds. Any substantial reduction in the fiscal year 1957 requested appropriations would inevitably result in either:

(a) A stretch-out of deliveries from the fiscal year 1950-56 balances (with resulting delay in achieving the desired combat capability of our allies); or

(b) A hiatus in vital support of our allies which will become apparent in late fiscal year 1958 or in fiscal year 1959, at which time we cannot repair the damage except



by diverting equipment from our own United States mobilization requirements.

We have already communicated to our allies in Europe the details of the items which we plan to furnish to them under prior programs. Their defense plans are based upon receiving this equipment. Any diversions of this equipment would completely destroy their defense planning and give rise to fear that we have lost our interest in NATO; and would also reduce their expected defense capabilities, which have been taken into account in our own military planning.

#### EFFECTS OF HOUSE CUTS—H. R. 11356

The House bill calls for \$1 billion cut in the military-assistance program, or a cut of one-third, and further restricts the amount that may be spent in Europe (excluding Spain) to \$402 million. I strongly urge that Congress restore not less than \$600 million of this billion-dollar cut, and I likewise urge that the limitation on expenditures in Europe be removed.

I am of the opinion that the military-assistance program which was presented to the Congress is necessary and essential to accomplish the security objectives of the United States, that the program was austere to the degree that any major reduction would require a complete restudy of our own military program.

A cut of the magnitude made by the House, especially in the face of the new Soviet tactics, will have a very serious political and psychological effect upon our friends and allies throughout the world, especially in the crucial NATO area. It will be interpreted as indicating that the United States is relaxing its efforts at the very time we are urging others to maintain with firmness the strength which has been developed in the free world.

#### INITIAL DEPARTMENT OF DEFENSE PROGRAM

The \$3 billion program provided for the following principal requirements:

(a) For so-called fixed charges if we are to have a program at all: \$255 million.

(b) Five critical countries (Korea, Taiwan, Vietnam, Turkey, and Pakistan): \$1.2 billion. These five countries have developed forces at our instigation. They are strongly anti-Communist and are reliable allies. It is recognized that these forces are far in excess of those which could be maintained without our support. Therefore, any considerable reduction could not fail to have a damaging impact on their military capability. Any major reduction for these five countries would immediately affect United States security interests.

Therefore, we are reduced to a figure of \$1.55 billion for all the programs in all the rest of the world against which the billion-dollar cut must be applied, unless there is also some reduction in the program for these vitally important countries.

(c) The initial increment of advanced weapons and equipment, vital to achieving modern defense capability in NATO and important to the early warning and defense of the United States itself, amounts to \$426 million.

(d) The balance of the \$3 billion program was to furnish to all other allies throughout the world spare parts and maintenance considered necessary to protect the large investment made by previous programs. This included about \$100 million for training of allied forces which I consider one of the most vital elements of the entire program.

#### EFFECTS OF BILLION DOLLAR CUT

During the preliminary stages of the formulation of the executive department recommendations the Joint Chiefs of Staff actually considered a \$2 billion program and found that it would be incompatible with the United States commitments and security interests around the world and would require a basic reevaluation of the plans and policies

of the program. If this \$1 billion cut is maintained the European program would sustain more than half—say \$600 million. However, the effect on non-European country programs would also be very great. For example, we estimate that the Korean program would have to be cut in the neighborhood of 23 percent, Taiwan 14 percent, Pakistan 27 percent, Turkey 24 percent, and Greece 22 percent. The \$1 billion reduction would also result in the elimination of approximately half of the increment for advanced weapons for NATO.

#### FOUR HUNDRED MILLION DOLLAR CUT FOR PROGRAM OF TWO BILLION SIX HUNDRED MILLION DOLLARS

Our plea today is to reduce the House cut to a more reasonable one that we can live with. If the \$1 billion cut can be reduced to \$400 million we believe that such a cut could be applied without destruction of the program. It would involve the following adjustments:

(a) One hundred million to be absorbed by potential miscellaneous savings now in sight and already reported to Congress.

(b) The deferral or elimination of the following: \$100 million of ammunition, \$50 million of general-purpose vehicles, \$50 million of spare parts, and \$100 million in the aggregate from attrition aircraft, the mutual weapons development program, the facilities assistance program, and the advanced weapons program.

Mr. KNOWLAND. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG]. Both sides having yielded back the remainder of their time, and the yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. BENDER (after having voted in the negative). I voted "nay"; but I have a live pair with the junior Senator from Indiana [Mr. JENNER]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. DANIEL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from West Virginia [Mr. LAIRD], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Texas [Mr. DANIEL] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Tennessee would vote "nay."

I further announce that if present and voting the Senators from West Virginia [Mr. LAIRD and Mr. NEELY] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent, and his pair with the Senator from Ohio [Mr. BENDER] has been announced previously.

The Senator from Wisconsin [Mr. WILEY] is absent on official business and if present and voting, would vote "nay."

The Senator from Iowa [Mr. MARTIN] is absent on official business, and if present and voting, would vote "nay."

The result was announced—yeas 27, nays 58, as follows:

#### YEAS—27

Bible	Frear	McCarthy
Bricker	Goldwater	McClellan
Byrd	Hruska	Monroney
Case, S. Dak.	Johnston, S. C.	Russell
Curtis	Kerr	Smathers
Dworshak	Langer	Stennis
Eastland	Long	Welker
Ellender	Magnuson	Williams
Ervin	Malone	Young

#### NAYS—58

Aiken	Green	Millikin
Allott	Hayden	Morse
Anderson	Hennings	Mundt
Barrett	Hickenlooper	Murray
Beall	Hill	Neuberger
Bennett	Holland	Pastore
Bridges	Humphrey,	Payne
Bush	Minn.	Potter
Butler	Humphreys,	Purtell
Carlson	Ky.	Robertson
Case, N. J.	Ives	Saltonstall
Clements	Jackson	Schoeppel
Cotton	Johnson, Tex.	Scott
Dirksen	Kennedy	Smith, Maine
Douglas	Knowland	Smith, N. J.
Duff	Kuchel	Sparkman
Elanders	Lehman	Symington
Fulbright	Mansfield	Thye
George	Martin, Pa.	Watkins
Gore	McNamara	Wofford

#### NOT VOTING—11

Bender	Jenner	Neely
Capehart	Kefauver	O'Mahoney
Chavez	Laird	Wiley
Daniel	Martin, Iowa	

So Mr. LONG's amendment to the committee amendment was rejected.

#### RIOT OF WORKERS IN POZNAN, RED-RULED POLAND

Mr. KNOWLAND. Mr. President, I think it might be appropriate to read into the RECORD a brief Associated Press dispatch which came over the wires today. The dateline is Berlin, and the dispatch reads:

Workers rioted for more food and better living conditions today in the industrial city of Poznan, Red-ruled Poland. A number were killed.

Troops and tanks went south to control the outbreak with shooting attacks in the streets.

The workers stormed Communist Party headquarters and public buildings in a carefully organized general strike.

Tonight. The Red radio in Warsaw, the Polish capital, reported the attacks "resulted in loss of life."

A later broadcast said the rebellion had been suppressed.

The strike hit dramatically in the midst of Poznan's international fair. It is attended by exhibitors and viewers from both sides of the Iron Curtain.

Western travelers returning from the fair reported a jail was set on fire and streetcars and autos were overturned in addition to the attacks on Red headquarters and buildings.

The workers' rebellion appeared to be the biggest onslaught against Communist bosses since the June 1953, revolt of 200,000 workers in East Germany. That rebellion was put down by a Soviet tank division.

Warsaw radio accused "the imperialists and the reactionary underground movement" of using economic difficulties in several Poznan factories as pretexts for inciting the demonstrations.

The Communist broadcast acknowledged there was serious unrest and charged "the









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 2, 1956  
For actions of June 29, 1956  
34th-2nd, o. 109

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HIGHLIGHTS: Senate passed mutual security bill. Both Houses agreed to conference report on Defense Department appropriation bill. Ready for President. House committee reported bill to authorize construction of Hells Canyon Dam. House committee reported area assistance bill. House conferees appointed on bill to improve Government accounting and obligation procedures. Rules Committee ordered housing bill tabled. Jt. Committee on Atomic Energy ordered reported bills to accelerate civilian atomic power program. Sen. Humphrey criticized handling of security cases by this Department.

## HOUSE

1. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 10986, the Defense Department appropriation bill for 1957. pp. 10230, 10315. This bill is now ready for the President.
2. SURPLUS COMMODITIES. Conferees were appointed on H. R. 9893, to authorize certain military construction. The bill authorizes the Secretary of Defense to use for family housing construction in foreign countries, foreign currencies not to exceed \$250 million acquired through provisions of the Agricultural Trade Development and Assistance Act or other commodity transactions of CCC. Senate conferees were appointed on June 28. p. 10229
3. MILK IMPORTS. The Agriculture Committee reported with amendment H. R. 609, to extend the Federal Import Milk Act to Alaska (H. Rept. 2536). p. 10300
4. RECLAMATION; ELECTRIFICATION. The Interior and Insular Affairs Committee reported with amendment H. R. 4719, to authorize the construction, operation, and maintenance of the Hells Canyon Dam on the Snake River between Idaho and Oregon (H. Rept. 2542). p. 10300

5. AREA ASSISTANCE. The Banking and Currency Committee reported with amendment H. R. 11811, to alleviate conditions of excessive unemployment and underemployment in depressed industrial and rural areas (H. Rept. 2543). p. 10300
6. ACCOUNTING. Conferees were appointed on H. R. 9593, to simplify Federal accounting practices and facilitate the payment of obligations. p. 10235 (Senate conferees have not been appointed.)
7. HOUSING. The Rules Committee ordered tabled H. R. 11742, the housing bill. p. D714
8. EDUCATION. Continued debate on H. R. 7535, to authorize Federal Assistance to the States and local communities financing an expanded program of school construction so as to eliminate the national shortage of classrooms. pp. 10240, 10275, 10286
9. ATOMIC ENERGY. The Joint Committee on Atomic Energy ordered reported S. 41146 and H. R. 12061, to accelerate the civilian atomic power program in the U. S. p. D715
10. PERSONNEL. Both Houses received from the Presidential Adviser on Personnel Management a proposed bill "to consolidate and revise certain provisions of law relating to additional compensation of civilian employees of the Federal Government stationed in foreign areas and to facilitate recruitment, reduce turnover, and compensate for extra costs and hardships due to overseas assignments"; to the Post Office and Civil Service Committees. pp. 10299, 10303  
Received from the Health, Education, and Welfare Department a proposed bill "to encourage the extension and improvement of voluntary health prepayment plans or policies"; to the Interstate and Foreign Commerce Committee. p. 10299
11. TEXTILES. Rep. Alexander criticized the present import allowances on certain clothing and textiles, and urged that trade limitations be imposed on Japanese textiles imports. p. 10292
12. TOBACCO. Rep. Cramer urged that certain tariff adjustments be made on behalf of the Spanish All-Havana Cigar Industry of Tampa, Fla., because of the adverse effect on this industry created by the Cuban cigar industry. p. 10283
13. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program for July 2-6: Mon., the Consent Calendar, the small flood control projects bill, the fisheries bill, and the rule on the postal rate increase bill; Tues., Private Calendar, the postal rate increase bill; Wed., no session; Thurs. and Fri., the school construction program bill for Federal affected areas, and the CCC borrowing authority increase bill. pp. 10229, 10274
14. ADJOURNED until Mon., July 2. pp. 10229, 10299

SENATE

15. FOREIGN AID. Passed with amendments H. R. 11356, the mutual security bill, by a vote of 54 to 25 (p. 10317). Agreed to amendments by Sen. Dirksen to authorize obligations in advance of appropriations authorized in the bill, and to authorize an additional \$5 million for information, relief, exchange of persons, education and resettlement programs (p. 10320), by Sen. Humphrey, as modified, for the greater promotion of economic development in underdeveloped



countries (p. 10356); and by Sen. Smathers to authorize \$35 million for a special economic development fund for Latin America (p. 10372).

16. GOVERNMENT SECURITY. The Government Operations Committee reported without amendment S. J. Res. 182, to extend the time for filing the final report of the Government Security Commission to June 30, 1957 (S. Rept. 2385). p. 10303  
Sen. Humphrey criticized the handling of security cases by this Department and inserted two newspaper articles on the matter. p. 10388
17. PUBLIC LANDS. Agreed to a motion of Sen. Case to reconsider the vote by which the amendments of the House to S. 1622, authorizing the Secretary of the Interior to make payment for certain improvements located in public lands in the Rapid Valley unit, S. Dak., of the Missouri River Basin project, were agreed to. Disagreed to one House amendment and conferees were appointed. p. 10313  
The Interior and Insular Affairs Committee Subcommittee on Public Lands ordered reported to the full committee with amendments S. 3458, to grant leaves of absence to homestead entrymen and to permit suspension of cultivation and improvement operations on homestead and desert-land entries. p. D711
18. FOOD AND DRUG; MEAT INSPECTION. Sen. Humphrey spoke in commemoration of the 50th anniversary of the Food and Drug Act and the Meat Inspection Act, and inserted a magazine article regarding this anniversary. p. 10384
19. MARKETING. The Labor and Public Works Committee reported without amendment H. R. 7732, to amend the Federal Food, Drug, and Cosmetic Act so as to provide for the regulation of the use of coal tar coloring for the outside of certain oranges (S. Rept. 2391) p. 10394
20. ELECTRIFICATION. The Joint Committee on Atomic Energy reported without amendment S. 4146, to provide for a Civilian Atomic Power Acceleration Program (S. Rept. 2390) p. 10394
21. PUBLIC DEBT. The "Daily Digest" states that the Finance Committee "approved without amendment" H. R. 11740, providing for a temporary increase in the public debt by \$3 billion. p. D711
22. ADJOURNED until Mon., July 2. p. 10423

#### ITEMS IN APPENDIX

23. ATOMIC ENERGY. Sen. Anderson inserted three addresses delivered by Robert McKinney, editor of the Santa Fe New Mexican, describing the peaceful uses of atomic energy as an instrument of international relations, and the research being done in the agricultural field. pp. A5126, A5131, A 5132
24. ELECTRIFICATION; RECLAMATION. Sen. Watkins inserted an American Farm Bureau Federation statement favoring the development of the power resources of Hells Canyon reaches of the Snake River as approved by the Federal Power Commission. p. A5130  
Rep. Miller, Neb., defended his record on public power and reclamation and refuted certain charges made against him. p. A5144  
Rep. Coon inserted a Baker County, Oreg., Chamber of Commerce resolution opposing the proposed Hells Canyon project. p. A5146

25. FOREIGN AID. Rep. Krueger discussed the foreign aid bill, stated that billions "have not checked communism," and that "when we review the billions that have been spent abroad on these questionable programs, then I cannot see how anyone can take issue with Government spending here at home." p. A5137  
Rep. Bentley inserted a newspaper article, "Effects of United States Foreign Aid--Monetary Gifts Seen Socializing Earnings of Private Enterprise." p. A5139
26. FAMILY FARMS. Sen. Thye inserted Alfred Stedman's article, "Slighted Story," describing "an off-the-farm movement that has become widespread from the less productive or marginal land areas of the U. S." and stating that it is generated by opportunities of farming people to help themselves by finding better jobs in industry and that it is a move for betterment and for higher standards of living. p. A5147
27. FARM PROGRAM. Sen. Kefauver inserted a newspaper article, "Democrats Reverse 1952 In Stunning Victory--Eisenhower, Hall, Benson Defeated In Poll," describing the feelings of farmers polled in the Kansas farm belt. p. A5154

#### BILLS INTRODUCED

28. PERSONNEL. H. R. 12052, Rep. Davis, to amend the Civil Service Retirement Act of May 29, 1930, to allow credit for certain service rendered States or instrumentalities thereof, to Post Office and Civil Service Committee.  
H. R. 12053, by Rep. Davis, to provide for the reorganization of the safety functions of the Federal Government, to Education and Labor Committee.  
H. R. 12054, by Rep. Gubser and H. R. 12055, by Rep. Moss, to establish a system for the classification and compensation of scientific and professional positions in the Government, to Post Office and Civil Service Committee.
29. DISASTER RELIEF. H. R. 12056, by Rep. Moss, a bill relating to the amount deductible for income-tax purposes in the case of losses of commercial fruit and nut trees in a major disaster; to Ways and Means Committee. Remarks of author, p. A5136
30. INFORMATION. H. R. 12063, by Rep. Reuss, to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies of names, emblems, and insignia to indicate Federal agency; to Judiciary Committee.
31. FLAG. H. R. 12065, by Rep. Tumulty, to amend the law in force with respect to the display and use of the flag of the United States; to Judiciary Committee.
32. ATOMIC ENERGY. H. R. 12061, by Rep. Holifield and S. 4146, by Sen. Gore (for himself Sen. Anderson, Sen. Jackson and Sen. Pastore), a bill providing for a civilian atomic power acceleration program; to Joint Committee on Atomic Energy.

#### BILLS APPROVED BY THE PRESIDENT

33. ROADS. H. R. 10660, the Federal-Aid Highway Act of 1956. The act authorizes the appropriation of \$125 million in addition to other sums authorized for fiscal year 1957, \$850 million for fiscal year 1958, and \$875 million for fiscal year 1959 for the purpose of carrying the provisions of the Federal aid highway and road program; authorizes the appropriation of \$30 million for Forest Highways, and \$27 million for forest roads and trails for each of the fiscal year ending June 30, 1958 and June 30, 1959; eliminates the necessity for apportioning funds authorized for forest development roads among the several



84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 29, 1956

Ordered to be printed with the amendment of the Senate

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## AN ACT

To amend further the Mutual Security Act of 1954, as amended,  
and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Mutual Security Act of  
4        1956".

5        SEC. 2. Title I, chapter 1, of the Mutual Security Act  
6        of 1954, as amended, which relates to military assistance,  
7        is further amended as follows:

8        (a) In section 103 (a), which relates to authorizations,  
9        add the following new paragraph:

10        "(3) In addition, there is hereby authorized to be

1 appropriated to the President to carry out the purposes of  
 2 this chapter not to exceed \$1,925,000,000, of which not less  
 3 than \$48,000,000 shall be used to provide assistance to Spain  
 4 and not more than \$402,000,000 may be used to provide  
 5 assistance to other European countries, and which shall re-  
 6 main available until expended."

7 ~~(b)~~ In section 105, strike out subsections ~~(e)~~ and ~~(d)~~.

8 SEC. 3. Title I, chapter 3, of the Mutual Security Act  
 9 of 1954, as amended, which relates to defense support, is  
 10 further amended by substituting a semicolon for the period  
 11 after "Asia" in subsection ~~(e)~~ of section 131 and inserting  
 12 thereafter the following:

13 "and for the fiscal year 1957 not to exceed—

14 "~~(1)~~ \$63,700,000 for Europe ~~(excluding Greece~~  
 15 ~~and Turkey)~~;

16 "~~(2)~~ \$170,000,000 for the Near East ~~(including~~  
 17 ~~Greece and Turkey)~~ and Africa;

18 "~~(3)~~ \$882,000,000 for Asia; and

19 "~~(4)~~ \$37,000,000 for Latin America.

20 "Funds made available under paragraph ~~(4)~~ may be  
 21 used to furnish assistance designed to sustain and increase  
 22 military or internal defense efforts, and may be used without  
 23 regard to the requirements of sections 141 and 142 in the  
 24 case of any nation which is a party to the Inter-American  
 25 Treaty of Reciprocal Assistance and which has adhered to



1 the resolution of 1954 entitled 'Declaration of Solidarity  
2 for the Preservation of the Political Integrity of the Ameri-  
3 can States against the Intervention of International Com-  
4 munism'."

5 SEC. 4. Title I, chapter 4, of the Mutual Security Act  
6 of 1954, as amended, which contains general provisions relat-  
7 ing to mutual defense assistance, is amended by adding at  
8 the end thereof the following new section:

9 "SEC. 143. PROHIBITION OF ASSISTANCE TO YUGO-  
10 SLAVIA.—Notwithstanding any other provision of law, no  
11 assistance under this title or any other title of this Act, or  
12 under any provision of law repealed by section 542 (a) of  
13 this Act, shall be furnished to Yugoslavia after the date of  
14 the enactment of this section, unless the President finds (1)  
15 that there has been no change in the Yugoslavian policies  
16 on the basis of which assistance under this Act has been fur-  
17 nished to Yugoslavia in the past, and that Yugoslavia is  
18 independent of control by the Soviet Union, and (2) that  
19 it is in the interest of the national security of the United  
20 States to continue the furnishing of assistance to Yugoslavia  
21 under this Act."

22 SEC. 5. Title II of the Mutual Security Act of 1954,  
23 as amended, which relates to development assistance, is  
24 amended by striking out sections 201 and 202 and sub-  
25 stituting the following new section:

1       “SEC. 201. AUTHORIZATION.—(a) In addition to the  
2 funds heretofore appropriated pursuant to the provisions of  
3 sections 201 and 418 of this Act as in effect prior to the  
4 enactment of the Mutual Security Act of 1956, which  
5 funds shall remain available for their original purposes in  
6 accordance with the provisions of law originally applicable  
7 thereto, there is hereby authorized to be appropriated to the  
8 President not to exceed \$243,000,000, to remain available  
9 until June 30, 1960, for assistance designed to promote the  
10 economic development of free Asia, the Middle East, and  
11 Africa, based on self-help and mutual cooperation of friendly  
12 nations, and to maintain economic and political stability in  
13 these areas.

14       “(b) The President is authorized to utilize the funds  
15 hereafter made available for purposes of this title to ac-  
16 complish in these areas policies and purposes declared in  
17 this Act, and to disburse them on such terms and condi-  
18 tions, including transfer of funds, as he may specify: *Pro-*  
19 *vided*, That such assistance shall only be available on terms  
20 of repayment, except (1) when such funds are used to  
21 finance sales of surplus agricultural commodities under sec-  
22 tion 402, or (2) when granted for the purpose of a regional  
23 project involving two or more beneficiary nations: *And*  
24 *provided further*, That not more than 25 per centum of any  
25 funds hereafter made available for purposes of this title shall



1 be used in furnishing assistance to any one nation (including  
2 bilateral assistance furnished to such nation as well as such  
3 nation's proportionate share of assistance furnished for re-  
4 gional projects in which it is involved).

5 “(e) To be eligible for bilateral assistance from funds  
6 hereafter made available for purposes of this title, a nation  
7 shall have entered into a written agreement, satisfactory  
8 to the President, to permit participation by private enter-  
9 prise in the accomplishment of any of the purposes of this  
10 Act in conformance with the provisions of section 413, which  
11 relates to encouragement of free enterprise and private  
12 participation.

13 “(d) Funds made available under this title may be  
14 used for expenses (other than those provided for under  
15 section 411 (c) of this Act) to assist in carrying out func-  
16 tions under the Agricultural Trade Development and Assist-  
17 ance Act of 1954, as amended (7 U. S. C. 1691 and the  
18 following), delegated or assigned to any agency or officer  
19 administering nonmilitary assistance.”

20 SEC. 6. Title III of the Mutual Security Act of 1954,  
21 as amended, which relates to technical cooperation, is further  
22 amended as follows:

23 (a) In section 304 (b), which relates to authorization,  
24 after “\$146,500,000”, insert “, and for the fiscal year 1957  
25 not to exceed \$140,500,000,”.

1       ~~(b)~~ In section 306, which relates to multilateral tech-  
2 nical cooperation:

3       ~~(1)~~ In subsection ~~(a)~~, which relates to contributions  
4 to the United Nations Expanded Program of Technical As-  
5 sistance, strike out all following "1956" and substitute "and  
6 \$15,500,000 for the fiscal year 1957, for such contribu-  
7 tions;"

8       ~~(2)~~ In subsection ~~(b)~~, which relates to contributions  
9 to the technical cooperation programs of the Organization of  
10 American States, strike out all following "1956" and substi-  
11 tute "and \$1,500,000 for the fiscal year 1957, for such  
12 contributions."

13       ~~(c)~~ In section 307, which relates to advances, grants,  
14 and contracts, strike out all following "Congress," in the last  
15 sentence thereof and substitute "extend at any time for not  
16 more than three years."

17       ~~(d)~~ Add the following new section:

18       "SEC. 309. STUDY OF TECHNICAL COOPERATION PRO-  
19 GRAM.—It is the sense of the Congress that there be made,  
20 under the direction of the President, an analysis and study  
21 of the methods or mechanisms whereby the technical co-  
22 operation program can be established on a long-term basis,  
23 in view of its basic objectives and purposes, separated from  
24 other programs authorized by or pursuant to the Mutual  
25 Security Act, as amended, including the preparation of draft



1 proposals for legislation to establish such program under the  
2 administration of a new independent agency or Government  
3 corporation.”

4 SEC. 7. Title IV of the Mutual Security Act of 1954, as  
5 amended, which relates to other programs, is further amended  
6 as follows:

7 (a) Amend section 401, which relates to special fund,  
8 as follows:

9 (1) In the first sentence of subsection (a), strike out  
10 “\$50,000,000” and substitute “\$150,000,000”; and in the  
11 last sentence of such subsection strike out “\$20,000,000”  
12 and substitute “\$30,000,000”.

13 (2) in subsection (b), after “\$100,000,000”, insert  
14 “, and for the fiscal year 1957 not to exceed \$100,000,000,”.

15 (b) In section 402, which relates to earmarking of  
16 funds, after “\$300,000,000”, insert “, and of the funds so  
17 authorized for the fiscal year 1957 not less than  
18 \$250,000,000,”.

19 (c) In section 403 (b), which relates to special assist-  
20 ance in joint control areas, after “\$21,000,000”, insert “,  
21 and for the fiscal year 1957 not to exceed \$12,200,000,”.

22 (d) Amend section 405 which relates to migrants,  
23 refugees, and escapees, as follows:

24 (1) In subsection (c) after “\$1,400,000”, insert “, and  
25 for the fiscal year 1957 not to exceed \$2,300,000,”.

1       ~~(2)~~ In subsection ~~(d)~~, after “\$6,000,000”, insert “,  
2       and for the fiscal year 1957 not to exceed \$7,000,000,”.

3       ~~(e)~~ In section 406 ~~(b)~~, which relates to children’s wel-  
4       fare, after “\$14,500,000”, insert “, and for the fiscal year  
5       1957 not to exceed “\$10,000,000,”.

6       ~~(f)~~ In section 407 ~~(b)~~ which relates to Palestine ref-  
7       ugees in the Near East, strike out “for the fiscal year 1956”.

8       ~~(g)~~ Amend section 409, which relates to ocean freight  
9       charges, as follows:

10       ~~(1)~~ In subsection ~~(e)~~, after “\$2,000,000” in the last  
11       sentence thereof, insert “, and for the fiscal year 1957 not  
12       to exceed \$1,400,000,”.

13       ~~(2)~~ In subsection ~~(d)~~, after “\$13,000,000” in the first  
14       sentence thereof, insert “, and for the fiscal year 1957 not  
15       to exceed \$14,000,000,”.

16       ~~(h)~~ In section 410, which relates to Control Act ex-  
17       penses, after “\$1,175,000,” in the first sentence thereof, in-  
18       sert “and for the fiscal year 1957 not to exceed  
19       \$1,175,000,”.

20       ~~(i)~~ Amend section 411, which relates to administra-  
21       tive and other expenses, as follows:

22       ~~(1)~~ In subsection ~~(b)~~, strike out all that follows “\$35,  
23       225,000,” and insert “and for the fiscal year 1957 not to  
24       exceed \$35,250,000, for necessary administrative expenses



1 incident to carrying out the provisions of this Act (other  
2 than chapter 1 of title I and section 124).”

3       ~~(2)~~ Redesignate subsection “~~(c)~~” as subsection “~~(e)~~”,  
4 and insert after subsection ~~(b)~~ the following new sub-  
5 sections:

6       “~~(e)~~ Not to exceed \$1,500,000 of funds made available  
7 under title II may be transferred in the fiscal year 1957  
8 for necessary administrative expenses not otherwise pro-  
9 vided for incident to carrying out functions under the Agri-  
10 cultural Trade Development and Assistance Act of 1954, as  
11 amended (~~7 U. S. C. 1691 and the following~~), delegated  
12 or assigned to any agency or officer administering nonmili-  
13 tary assistance, and the amounts so transferred shall be con-  
14 solidated with funds made available pursuant to this section  
15 for said fiscal year.

16       “~~(d)~~ There are authorized to be appropriated to the  
17 Department of State such amounts as may be necessary  
18 from time to time for administrative expenses which are in-  
19 curred for normal functions of the Department which relate  
20 to functions under this Act.”

21       ~~(j)~~ In section 413 ~~(b)~~ ~~(2)~~ after “to encourage and  
22 facilitate the flow of private investment to”, insert “, and its  
23 equitable treatment in,”

24       ~~(k)~~ Amend section 413 ~~(b)~~ ~~(4)~~ as follows:

1       ~~(1)~~ After “may make”, insert “, through the Interna-  
2       tional Cooperation Administration”.

3       ~~(2)~~ Substitute “June 30, 1967” for “June 30, 1957”.

4       ~~(3)~~ In subparagraph ~~(B)~~ ~~(ii)~~, before the semicolon  
5       at the end thereof, insert “or by reason of war, revolution,  
6       or insurrection”.

7       ~~(4)~~ Amend subparagraph ~~(F)~~ to read as follows:

8               ~~“(F) the President is authorized to issue guaranties~~  
9       up to a total face value of \$500,000,000 exclusive of  
10       informational media guaranties heretofore and hereafter  
11       issued pursuant to section 1011 of the Act of January  
12       27, 1948, as amended ~~(22 U. S. C. 1442)~~, and section  
13       ~~111 (b) (3)~~ of the Economic Cooperation Act of 1948,  
14       as amended ~~(22 U. S. C. 1509 (b) (3))~~: *Provided,*  
15       That any funds allocated to a guaranty and remaining  
16       after all liability of the United States assumed in con-  
17       nection therewith has been released, discharged, or  
18       otherwise terminated, and funds realized after June 30,  
19       1955, from the sale of currencies or other assets acquired  
20       pursuant to subparagraph ~~(C)~~ shall be available for  
21       allocation to other guaranties, and the foregoing limi-  
22       tation shall be increased to the extent that such funds  
23       become available. Any payments made to discharge  
24       liabilities under guaranties issued under this paragraph  
25       shall be paid out of fees collected under subparagraph



(E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph (C) and notes which have been issued under authority of paragraph 111 (e) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: *Provided*, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: *Provided further*, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value

1 of said guaranties. For the purpose of this paragraph  
 2 the Director of the International Cooperation Admin-  
 3 istration is authorized to issue notes (in addition to  
 4 the notes heretofore issued pursuant to paragraph 111  
 5 ~~(e) (2)~~ of the Economic Cooperation Act of 1948,  
 6 as amended) in an amount not to exceed \$37,500,000,  
 7 and on the same terms and conditions applicable to notes  
 8 issued pursuant to said paragraph 111 ~~(e) (2)~~."

9 ~~(l)~~ Amended section 415, which relates to assistance to  
 10 international organization, as follows:

11 ~~(1)~~ Change "ORGANIZATION" in the title to "ORGAN-  
 12 IZATIONS".

13 ~~(2)~~ After "the North Atlantic Treaty Organization",  
 14 insert "and the Organization for European Economic Cooper-  
 15 ation".

16 ~~(m)~~ Repeal section 418, which relates to President's  
 17 Fund for Asian Economic Development.

18 ~~(n)~~ Add the following new section:

19 "SEC. 420. FOOD AND AGRICULTURE ORGANIZA-  
 20 TION.—Public Law 174, Seventy-ninth Congress, as  
 21 amended by section 1 ~~(b)~~ of Public Law 806, Eighty-first  
 22 Congress, is hereby further amended by striking out the  
 23 figure '\$2,000,000' in section 2 thereof and inserting in lieu  
 24 thereof the figure '\$3,000,000'."

25 SEC. 8. The Mutual Security Act of 1954, as amended,



1 is further amended by inserting immediately after the first  
2 section thereof and before title I the following new section:

3 "SEC. 2. STATEMENT OF POLICY.—The Congress of  
4 the United States, recognizing that the peace of the world  
5 and the security of the United States are endangered as long  
6 as international communism and the nations it controls con-  
7 tinue by threat of military action, use of economic pressure,  
8 internal subversion, or other means to attempt to bring under  
9 their domination peoples now free and independent and con-  
10 tinue to deny the rights of freedom and self-government to  
11 peoples and nations once free but now subject to such  
12 domination, declares it to be the policy of the United States  
13 to continue as long as such danger to the peace of the world  
14 and to the security of the United States persists to make  
15 available to free nations and peoples upon request assistance  
16 of such nature and in such amounts as the United States is  
17 able to provide compatible with its own stability, strength,  
18 and other obligations, and as may be needed and effectively  
19 used by such free nations and peoples to help them maintain  
20 their freedom."

21 SEC. 9. Title V, chapter 1, of the Mutual Security Act  
22 of 1954, as amended, which relates to general provisions, is  
23 further amended as follows:

24 (a) In section 501, which relates to transferability of

1 funds, strike out the last two sentences and insert in lieu  
 2 thereof the following: "Any funds transferred under this sec-  
 3 tion for the purpose of furnishing assistance under section  
 4 201 shall be available only for furnishing assistance on terms  
 5 of repayment in accordance with section 505, for furnish-  
 6 ing surplus agricultural commodities under section 402, or  
 7 for making grants for regional projects involving two or  
 8 more beneficiary nations."

9       (b) In section 507, which relates to availability of  
 10 funds, after "students),", insert "and other provisions of this  
 11 Act,".

12       (c) In section 509, which relates to shipping on United  
 13 States vessels, after "this Act" in the last sentence thereof,  
 14 insert "or the Agricultural Trade Development and Assist-  
 15 ance Act of 1954, as amended (7 U. S. C. 1691 and the  
 16 following),".

17       SEC. 10. Title V, chapter 2, of the Mutual Security Act  
 18 of 1954, as amended, which relates to organization and  
 19 administration, is further amended as follows:

20       (a) In section 521, which relates to delegation of author-  
 21 ity by the President, after "subsection (b)" in subsection  
 22 (a), insert "and section 413 (b) (4)".

23       (b) Amend section 522, which relates to allocation and  
 24 reimbursement among agencies, as follows:



1       ~~(1)~~ Add the following at the end of subsection ~~(b)~~:  
2   ~~“The Administrator of General Services is authorized to~~  
3   ~~maintain in a separate consolidated account, which shall be~~  
4   ~~free from fiscal year limitations; payments received by the~~  
5   ~~General Services Administration for administrative sur-~~  
6   ~~charges in connection with procurement services performed~~  
7   ~~by the General Services Administration in furtherance of the~~  
8   ~~purposes of this Act. Such payments shall be in amounts~~  
9   ~~mutually acceptable to the General Services Administration~~  
10   ~~and the agency administering nonmilitary assistance; and~~  
11   ~~these amounts shall be available for administrative expenses~~  
12   ~~incurred by the General Services Administration in perform-~~  
13   ~~ing such procurement services.”~~

14       ~~(2)~~ Add the following new subsection:

15       ~~“(f) Any appropriation made to carry out the pro-~~  
16   ~~visions of this Act may initially be charged, within the limits~~  
17   ~~of available funds, to finance expenses for which funds are~~  
18   ~~available in other appropriations made under this Act: *Pro-*~~  
19   ~~*vided,* That as of the end of the same fiscal year such ex-~~  
20   ~~penses shall be finally charged to applicable appropriations~~  
21   ~~with proper credit to the appropriations initially utilized~~  
22   ~~for financing purposes.”~~

23       ~~(c)~~ In section 530, which relates to experts and con-  
24   ~~sultants or organizations thereof, insert before the period~~

1 at the end of subsection (a) the following: “: *Provided*,  
 2 That contracts for such employment with such organizations  
 3 may be renewed annually”.

4 (d) In section 532, which relates to exemption of per-  
 5 sonnel from certain Federal laws, add the following at the  
 6 end of subsection (a): “Contracts for the employment of  
 7 retired military personnel as experts or consultants under  
 8 section 530 (a) may be renewed annually, notwithstanding  
 9 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).”

10 (e) Amend section 535, which relates to cooperation  
 11 with international organizations, as follows:

12 (1) Insert “NATIONS AND” after “WITH” in the  
 13 title.

14 (2) Amend subsection (b) to read as follows:

15 “(b) Whenever the President determines it to be in fur-  
 16 therance of the purposes of this Act, United States Govern-  
 17 ment agencies, on request of international organizations, are  
 18 authorized to furnish supplies, materials, and services, and on  
 19 request of nations, are authorized to furnish nonmilitary sup-  
 20 plies, materials, and services, to such organizations and na-  
 21 tions on an advance of funds or reimbursement basis. Such  
 22 advances, or reimbursements which are received under this  
 23 subsection without one hundred eighty days after the close of  
 24 the fiscal year in which such supplies, materials, and services  
 25 are delivered, may be credited to the current applicable ap-



1 appropriation or fund of the agency concerned and shall be  
2 available for the purposes for which such appropriations and  
3 funds are authorized to be used.”

4     ~~(f)~~ Add the following new section:

5     “SEC. 537. PROVISIONS ON USES OF FUNDS.—

6     “(a) Appropriations for the purposes of this Act (except  
7 for chapter 1 of title I and section 124), allocations to any  
8 United States Government agency, from other appropria-  
9 tions, for functions directly related to the purposes of this  
10 Act, and funds made available for other purposes to any  
11 agency administering nonmilitary assistance, shall, except as  
12 may subsequently be otherwise provided by law, be available  
13 for the purposes specified in section 102 of the Mutual Secu-  
14 rity Appropriation Act, 1956 (subject each fiscal year to the  
15 limitations on the amounts of funds which can be used for  
16 such purposes), in section 2 of Public Law 495, Eighty-third  
17 Congress (with respect to the remains of persons or members  
18 of the families of persons who may die while away from their  
19 homes participating in activities under this Act or other Acts  
20 directly related to the purposes of this Act), and in section  
21 902 of the Foreign Service Act of 1946, as amended (with  
22 respect to chiefs of mission appointed pursuant to section  
23 526 of this Act), and for the purchase of passenger motor  
24 vehicles: *Provided*, That passenger motor vehicles for  
25 administrative purposes may be purchased only as specified

1 in section 102 of the Mutual Security Appropriation Act,  
2 1956, or as specifically otherwise provided by law.

3 “(b) United States Government agencies are authorized  
4 to pay the costs of health and accident insurance for foreign  
5 participants in any exchange-of-persons program or any  
6 program of furnishing technical information and assistance  
7 administered by any such agency while such participants  
8 are en route or absent from their homes for purposes of  
9 participation in any such program.”

10 SEC. 11. Title V, chapter 3, of the Mutual Security  
11 Act of 1954, as amended, which relates to repeal and mis-  
12 cellaneous provisions, is further amended as follows:

13 (a) Amend section 544, which relates to amendments  
14 to other laws, by adding the following new subsections:

15 “(e) In section 4 of the Act of May 26, 1949 (63  
16 Stat. 111, 5 U. S. C. 151e), insert after the words ‘such  
17 functions’ the following: ‘, including if he shall so specify  
18 the authority successively to redelegate any of such func-  
19 tions,’

20 “(d) In the first sentence of section 32 (b) (2) of the  
21 Surplus Property Act of 1944, as amended (50 U. S. C.  
22 App. 1641 (b) (2)), after ‘any agency thereof’, insert  
23 ‘including amounts received in repayment of principal or  
24 interest on any loan made under section 505 (b) of the  
25 Mutual Security Act of 1954, as amended’.



1       “(c) Section 933 of the Foreign Service Act of 1946,  
2 as amended (22 U. S. C. 1148), is hereby amended by  
3 inserting after ‘continental United States’ where it appears  
4 in both subsection (a) and subsection (b) of that section  
5 ‘, its Territories and possessions,’

6       “(f) Section 1441 (e) of the Internal Revenue Code  
7 of 1954 is hereby amended by inserting after paragraph (5)  
8 the following new paragraph:

9       ““(6) PER DIEM OF CERTAIN ALIENS.—No deduc-  
10 tion or withholding under subsection (a) shall be re-  
11 quired in the case of amounts of per diem for subsistence  
12 paid by the United States Government (directly or by  
13 contract) to any non-resident alien individual who is  
14 engaged in any program of training in the United States  
15 under the Mutual Security Act of 1954, as amended.”

16       “(g) Section 1011 of the United States Information and  
17 Educational Exchange Act of 1948, as amended (22 U. S. C.  
18 1442), is amended by inserting ‘(a)’ before ‘The Director’,  
19 by deleting everything after the words ‘national interests  
20 of the United States’, by inserting a period at that point,  
21 and by inserting the following new subsections:

22       ““(b) The Director is authorized to assume the obliga-  
23 tion of not to exceed \$28,000,000 of the notes authorized  
24 to be issued pursuant to subsection 111 (c) (2) of the  
25 Economic Cooperation Act of 1948, as amended (22

1 U. S. C. 1509 ~~(e) (2))~~, together with the interest accrued  
2 and unpaid thereon, and to obtain advances from time to  
3 time from the Secretary of the Treasury up to such amount,  
4 less amounts previously advanced on such notes, as provided  
5 for in said notes. Such advances shall be deposited in a  
6 special account in the Treasury available for payments  
7 under informational media guaranties.

8 “~~‘(e)~~ The Director is authorized to make informational  
9 media guaranties without regard to the limitations of time  
10 contained in subsection 413 ~~(b) (4)~~ of the Mutual Se-  
11 curity Act of 1954, as amended ~~(22 U. S. C. 1933 (b)~~  
12 ~~(4))~~, but the total of such guaranties outstanding at any  
13 one time shall not exceed the sum of the face amount of  
14 the notes assumed by the Director less the amounts pre-  
15 viously advanced on such notes by the Secretary of the  
16 Treasury plus the amount of the funds in the special account  
17 referred to in subsection ~~(b)~~.

18 “~~‘(d)~~ Foreign currencies available after June 30, 1955,  
19 from conversions made pursuant to the obligation of infor-  
20 mational media guaranties may be sold, in accordance with  
21 Treasury Department regulations, for dollars which shall be  
22 deposited in the special account and shall be available for  
23 payments under new guaranties.

24 “~~‘(e)~~ Notwithstanding the provisions of subparagraph  
25 413 ~~(b) (4) (E)~~ of the Mutual Security Act of 1954, as



1 amended ~~(22 U. S. C. 1933 (b) (4) (E))~~, ~~(1)~~ fees  
2 collected for the issuance of informational media guaranties;  
3 shall be deposited in the special account and shall be avail-  
4 able for payments under informational media guaranties;  
5 and ~~(2)~~ the Director may require the payment of a mini-  
6 mum charge of up to fifty dollars for issuance of guaranty  
7 contracts, or amendments thereto.

8 “~~(f)~~ The Director is further authorized under such  
9 terms as he may prescribe, to make advance payments  
10 under informational media guaranties: *Provided*, That cur-  
11 rencies receivable from holders of such guaranties on account  
12 of such advance payments shall be paid to the United  
13 States within nine months from the date of the advance  
14 payment and that appropriate security to assure such pay-  
15 ments is required before any advance payment is made.

16 “~~(g)~~ As soon as feasible after the enactment of this  
17 subsection, all assets, liabilities, income, expenses, and charges  
18 of whatever kind pertaining to informational media guar-  
19 anties, including any charges against the authority to issue  
20 notes provided in section ~~111 (c) (2)~~ of the Economic  
21 Cooperation Act of 1948, as amended, cumulative from the  
22 enactment of that Act, shall be accounted for separately from  
23 other guaranties issued pursuant to subsection ~~413 (b)~~ of  
24 the Mutual Security Act of 1954, as amended ~~(22 U. S. C.~~  
25 ~~1933 (b))~~: *Provided*, That there shall be transferred from

1 the special account established pursuant to subsection ~~(a)~~,  
 2 into the account available for payments under guaranties  
 3 other than informational media guaranties, an amount equal  
 4 to the total of the fees received for the issuance of guar-  
 5 anties other than informational media guaranties, and used  
 6 to make payments under informational media guaranties.' "

7 ~~(b)~~ Amend section 545, which relates to definitions, as  
 8 follows:

9 ~~(1)~~ Add at the end of subsection ~~(h)~~ the following:  
 10 "Notwithstanding the foregoing provisions of this subsection  
 11 ~~(h)~~ and for the purpose of establishing a more equitable  
 12 pricing system for transactions between the military depart-  
 13 ments and the Mutual Defense Assistance Program, the  
 14 Secretary of Defense shall prescribe at the earliest practicable  
 15 date, through appropriate pricing regulations of uniform ap-  
 16 plicability, the term 'value' ~~(except in the case of excess~~  
 17 ~~equipment or materials)~~ shall mean—

18 " ~~(1)~~ the price of equipment or materials obtaining  
 19 for similar transactions between the Armed Forces  
 20 the United States; or

21 " ~~(2)~~ where there are no similar transactions within  
 22 the meaning of paragraph ~~(1)~~, the gross cost to the  
 23 United States adjusted as appropriate for condition and  
 24 market value."

25 ~~(2)~~ Add the following new subsections:



1       “(j) The term ‘agency administering nonmilitary assist-  
 2    ance’ shall refer to any agency to which authorities and func-  
 3    tions under chapter 3 of title I, title II, title III, or title IV  
 4    of this Act are delegated or assigned pursuant to authority  
 5    contained in sections 521 and 525 of this Act.”

6       “(k) The term ‘officer administering nonmilitary assist-  
 7    ance’ shall refer to any officer to whom authorities and func-  
 8    tions under chapter 3 of title I, title II, title III, or title IV  
 9    of this Act are delegated or assigned pursuant to authority  
 10   contained in sections 521 and 525 of this Act.”

11       “(e) In section 548, which relates to unexpended bal-  
 12   ances, strike out “heretofore”, substitute “1957” for “1956”,  
 13   and strike out the colon and the remainder of the sentence  
 14   following “Act” the second time it appears and insert a  
 15   period.

16       “(d) Add the following new section:

17       SEC. 550. SPECIAL PROVISION ON AVAILABILITY OF  
 18   FUNDS.—An amount equal to 25 per centum of the funds  
 19   authorized to be appropriated for any fiscal year for purposes  
 20   of chapter 3 of title I, title III, or section 403 of this Act  
 21   is authorized to be continued available for three months  
 22   beyond the end of the fiscal year for which appropriated.”

23               FOREIGN RESEARCH REACTOR PROJECTS

24       SEC. 12. (a) *As one means of furthering peaceful uses*  
 25   of atomic energy on an international basis, there is hereby

1 authorized to be appropriated to the President for the fiscal  
2 year 1957 not to exceed \$5,950,000 for use by the Presi-  
3 dent, on such terms and conditions as he may specify, for  
4 research reactor projects undertaken or authorized by foreign  
5 governments which shall have entered into agreements for  
6 cooperation with the Government of the United States con-  
7 cerning the peaceful uses of atomic energy.

8       (b) Nothing in this section shall alter, amend, revoke,  
9 repeal, or otherwise affect the provisions of the Atomic  
10 Energy Act of 1954.

11       (c) The United States share of the cost of any reactor  
12 made available to another government or to other govern-  
13 ments shall not exceed \$350,000.

14       (d) In carrying out the purposes of this section the  
15 Director, the Atomic Energy Commission, and other United  
16 States departments and agencies shall give full and con-  
17 tinuous publicity through the press, radio, and all other  
18 available media, so as to inform the peoples of the partici-  
19 pating countries regarding the assistance, including its  
20 purpose, source, and character, furnished by the United  
21 States. Such portions of the equipment furnished under  
22 this section as may be appropriately die-stamped as a  
23 product of the United States shall be so stamped.



1 *That this Act may be cited as the "Mutual Security Act of*  
2 *1956".*

3 *SEC. 2. The Mutual Security Act of 1954, as amended,*  
4 *is further amended by redesignating section 549, a statement*  
5 *of Congressional policy, as section 2, by inserting it im-*  
6 *mediately after the first section of the Act and before title I,*  
7 *and by amending it to read as follows:*

8 *"SEC. 2. STATEMENT OF POLICY.—(a) The Congress*  
9 *of the United States recognizes that the peace of the world*  
10 *and the security of the United States are endangered as long*  
11 *as international communism and the nations it controls con-*  
12 *tinue by threat of military action, by the continuous develop-*  
13 *ment of airpower and the construction of nuclear weapons,*  
14 *and by the use of economic pressure, internal subversion, or*  
15 *other means, to attempt to bring under their domination*  
16 *peoples now free and independent, and continue to deny the*  
17 *rights of freedom and self-government to peoples and nations*  
18 *once free but now subject to such domination. The Con-*  
19 *gress therefore declares it to be the policy of the United*  
20 *States to continue, as long as such danger persists, (1) to*  
21 *expand its own airpower through the construction, in ac-*  
22 *cordance with appropriations heretofore or hereafter made*  
23 *by the Congress, of planes, guided missiles, and other ad-*  
24 *vanced weapons, so as to be prepared at all times to resist*  
25 *any attack by Communist power, and (2) to make available*

1 to free nations and peoples upon request assistance of such  
2 nature and in such amounts as the United States deems  
3 advisable compatible with its own stability, strength, and  
4 other obligations, and as may be needed and effectively used  
5 by such free nations and peoples to help them maintain their  
6 freedom.

7 “(b) It is the sense of the Congress that inasmuch as—

8 “(1) the United States, through mutual security pro-  
9 grams, has made substantial contributions to the eco-  
10 nomic recovery and rehabilitation of the nations of  
11 Western Europe;

12 “(2) due in part to those programs, it has been pos-  
13 sible for such nations to achieve complete economic re-  
14 covery and to regain their military strength; and

15 “(3) certain other friendly nations of the world re-  
16 main in need of assistance in order that they may defend  
17 themselves against aggression and contribute to the secu-  
18 rity of the free world,

19 those nations that have been assisted in their recovery should,  
20 in the future, share with the United States to a greater  
21 extent the financial burden of providing aid to those coun-  
22 tries which are still in need of assistance of the type provided  
23 under this Act.

24 “(c) It is the sense of the Congress that assistance under  
25 this Act shall be administered so as to assist other peoples in



1 *their efforts to achieve self-government or independence under*  
2 *circumstances which will enable them to assume an equal*  
3 *station among the free nations of the world and to fulfill*  
4 *their responsibilities for self-government or independence.*

5       “(d) *It is the sense of the Congress that assistance fur-*  
6 *nished out of funds hereafter made available for aid to the*  
7 *newly independent states in Africa should be furnished in the*  
8 *same manner as in the case of other independent states.”*

9       *SEC. 3. Title I, chapter 1, of the Mutual Security Act*  
10 *of 1954, as amended, which relates to military assistance,*  
11 *is further amended as follows:*

12       “(a) *In section 103 (a), which relates to authorizations,*  
13 *add the following new paragraphs:*

14       “(3) *There is hereby authorized to be appropriated to*  
15 *the President to carry out the purposes of this chapter not to*  
16 *exceed \$925,000,000 which shall remain available until*  
17 *expended.*

18       “(4) *In addition to the authorization in paragraph (3)*  
19 *of this subsection, there is hereby authorized to be appro-*  
20 *priated to the President not to exceed \$1,600,000,000 to*  
21 *remain available until expended and to be used only for the*  
22 *purpose of purchasing equipment and materials for the*  
23 *Armed Forces of the United States, in replacement for*  
24 *equipment and materials of a corresponding value which*  
25 *the Secretary of Defense is hereby authorized to furnish*  
26 *from Department of Defense stocks in accordance with the*

1 *terms of this Act applicable to military assistance and within*  
2 *the limits of appropriations made pursuant to this authoriza-*  
3 *tion. In the discretion of the Secretary of Defense, the De-*  
4 *partment of Defense may use such appropriations for re-*  
5 *placement in advance of delivery of such equipment and*  
6 *materials in the possession of the Department of Defense*  
7 *or may incur, in applicable appropriations, obligations in*  
8 *anticipation of reimbursement from such appropriations for*  
9 *replacement."*

10 *(b) In section 105 strike out subsections (c) and (d),*  
11 *and strike out the reference to subsection (d) in section 513.*

12 *SEC. 4. Title I, chapter 3, of the Mutual Security Act*  
13 *of 1954, as amended, which relates to defense support, is*  
14 *further amended by substituting a semicolon for the period*  
15 *after "Asia" in subsection (c) of section 131 and inserting*  
16 *thereafter the following:*

17 *"and for the fiscal year 1957 not to exceed—*

18 *"(1) \$78,700,000 for Europe (excluding Greece*  
19 *and Turkey);*

20 *"(2) \$170,000,000 for the Near East (including*  
21 *Greece and Turkey) and Africa;*

22 *"(3) \$882,000,000 for Asia; and*

23 *"(4) \$37,000,000 for Latin America.*

24 *"Funds made available under paragraph (4) may be*  
25 *used to furnish assistance designed to sustain and increase*



1 military effort or political or economic stability, and may be  
 2 used without regard to the requirements of sections 141 and  
 3 142 in the case of any nation which is a party to the Inter-  
 4 American Treaty of Reciprocal Assistance and which has  
 5 adhered to the resolution of 1954 entitled 'Declaration of  
 6 Solidarity for the Preservation of the Political Integrity of  
 7 the American States against the Intervention of International  
 8 Communism'."

9       SEC. 5. Title I, chapter 4, of the Mutual Security Act of  
 10 1954, as amended, which contains general provisions relat-  
 11 ing to mutual defense assistance, is amended by adding at  
 12 the end thereof the following new section:

13       "SEC. 143. Notwithstanding any other provision of  
 14 law, no assistance under this title or any other title of this  
 15 Act, or under any provision of law repealed by section 542  
 16 (a) of this Act, shall be furnished to Yugoslavia after the  
 17 expiration of ninety days following the date of the enact-  
 18 ment of this section, unless the President finds and so reports  
 19 to the Congress, with his reasons therefor, (1) that there  
 20 has been no change in the Yugoslavian policies on the  
 21 basis of which assistance under this Act has been furnished  
 22 to Yugoslavia in the past, and that Yugoslavia is independ-  
 23 ent of control by the Soviet Union, (2) that Yugoslavia does  
 24 not adhere to any policy for the Communist conquest of the  
 25 world and (3) that it is in the interest of the national security

1 of the United States to continue the furnishing of assistance  
2 to Yugoslavia under this Act.”

3 SEC. 6. For the purpose of authorizing appropriations  
4 totaling \$243,000,000 for programs covered by this section,  
5 and for other purposes, the Mutual Security Act of 1954, as  
6 amended, is further amended as follows:

7 (a) Amend title II, which relates to development assist-  
8 ance, as follows:

9 (1) Add in section 201 the following new subsections:

10 “(d) There is hereby authorized to be appropriated to  
11 the President for the fiscal year 1957 not to exceed \$63,000,-  
12 000 and \$80,000,000 to furnish assistance under paragraphs  
13 (1) and (2), respectively, of subsection (a) of this section.

14 “(e) Funds made available under this title may be used  
15 for expenses (other than those provided for under section 411  
16 (c) of this Act) to assist in carrying out functions under the  
17 Agricultural Trade Development and Assistance Act of  
18 1954, as amended (7 U. S. C. 1691 and the following)  
19 delegated or assigned to any agency or officer administering  
20 nonmilitary assistance.”

21 (2) Add the following new section:

22 “SEC. 203. REQUIREMENT REGARDING FURNISHING  
23 ASSISTANCE ON TERMS OF REPAYMENT.—Seventy-five  
24 per centum of the assistance furnished from funds made avail-  
25 able after the date of enactment of the Mutual Security Act



1 of 1956 under this title or under section 420 may be pro-  
 2 vided only on terms of repayment, except (1) when such  
 3 funds are used to finance sales of surplus agricultural com-  
 4 modities under section 402, or (2) when granted for the  
 5 purpose of a regional project involving two or more benefi-  
 6 ciary nations.”

7 (b) In title IV, which relates to other programs, add the  
 8 following new section:

9 “SEC. 420. SPECIAL AUTHORIZATION FOR THE MID-  
 10 DLE EAST AND AFRICA.—There is hereby authorized to be  
 11 appropriated to the President for the fiscal year 1957 not to  
 12 exceed \$100,000,000 for assistance in the general area of  
 13 the Middle East and Africa in accordance with provisions  
 14 of this Act applicable to the furnishing of assistance under  
 15 chapter 3 of title I, title II, title III, or section 407.”

16 SEC. 7. Title III of the Mutual Security Act of 1954,  
 17 as amended, which relates to technical cooperation, is further  
 18 amended as follows:

19 (a) In section 304 (b), which relates to authorization,  
 20 after “\$146,500,000”, insert “, and for the fiscal year 1957  
 21 not to exceed \$140,500,000,”.

22 (b) In section 306, which relates to multilateral tech-  
 23 nical cooperation:

24 (1) In subsection (a), which relates to contributions  
 25 to the United Nations Expanded Program of Technical As-

1 *sistance, strike out all following "1956" and substitute ", and*  
 2 *\$15,500,000 for the fiscal year 1957, for such contributions;"*.

3       *(2) In subsection (b), which relates to contributions*  
 4 *to the technical cooperation programs of the Organization of*  
 5 *American States, strike out all following "1956" and substi-*  
 6 *tute ", and \$1,500,000 for the fiscal year 1957, for such*  
 7 *contributions."*.

8       *(c) In section 307, which relates to advances, grants,*  
 9 *and contracts, strike out all following "Congress," in the last*  
 10 *sentence thereof and substitute "extend at any time for not*  
 11 *more than three years."*.

12       *SEC. 8. Title IV of the Mutual Security Act of 1954, as*  
 13 *amended, which relates to other programs, is further amended*  
 14 *as follows:*

15       *(a) Amend section 401, which relates to special fund,*  
 16 *as follows:*

17       *(1) In the first sentence of subsection (a), strike out*  
 18 *"\$50,000,000" and substitute "\$150,000,000"; and in the*  
 19 *last sentence of such subsection strike out "\$20,000,000"*  
 20 *and substitute "\$30,000,000"*.

21       *(2) In the second sentence of subsection (a), strike out*  
 22 *the words "and Austria"*.

23       *(3) In subsection (b), after "\$100,000,000", insert*  
 24 *", and for the fiscal year 1957 not to exceed \$100,000,000,"*.

25       *(4) In the next to last sentence of section 401 (a), which*



1 imposes a cumulative ceiling on the use of funds without  
2 voucher, strike out "\$50,000,000" and insert "\$55,000,000".

3 (5) Add to section 401 the following new subsection:

4 "(c) There is hereby authorized to be appropriated to  
5 the President not to exceed \$5,000,000, to remain available  
6 until expended, to enable the President in his discretion  
7 through programs of information, relief, exchange of per-  
8 sons, education, resettlement, grants to private nonprofit  
9 organizations engaged in keeping alive the will for freedom,  
10 and by other material means to encourage the hopes and  
11 aspirations of peoples who have been enslaved by communism."

12 (b) In section 402, which relates to earmarking of  
13 funds, after "\$300,000,000", insert ", and of the funds so  
14 authorized for the fiscal year 1957 not less than  
15 \$250,000,000,".

16 (c) In section 403 (b), which relates to special assist-  
17 ance in joint control areas, after "\$21,000,000", insert "  
18 and for the fiscal year 1957 not to exceed \$12,200,000,".

19 (d) Amend section 405, which relates to migrants,  
20 refugees, and escapees, as follows:

21 (1) In subsection (c), after "\$1,400,000", insert "  
22 for the fiscal year 1957 not to exceed \$2,300,000,".

23 (2) In subsection (d), after "\$6,000,000", insert "  
24 and for the fiscal year 1957 not to exceed \$7,000,000,".

25 (e) In section 406 (b), which relates to children's wel-

1 fare, after "\$14,500,000", insert ", and for the fiscal year  
2 1957 not to exceed \$10,000,000,".

3 (f) In section 407 (b), which relates to Palestine ref-  
4 ugees in the Near East, strike out "for the fiscal year 1956".

5 (g) Amend section 409, which relates to ocean freight  
6 charges, by inserting in subsection (c), after "\$2,000,000"  
7 in the last sentence thereof, the phrase ", and for the fiscal  
8 year 1957 not to exceed \$3,000,000,".

9 (h) In section 410, which relates to Control Act ex-  
10 penses after "\$1,175,000," in the first sentence thereof, in-  
11 sert "and for the fiscal year 1957 not to exceed  
12 \$1,175,000,".

13 (i) Amend section 411, which relates to administrative  
14 and other expenses, as follows:

15 (1) In subsection (b), strike out all that follows "\$35,-  
16 225,000," and insert "and for the fiscal year 1957 not to  
17 exceed \$35,250,000, for necessary administrative expenses  
18 incident to carrying out the provisions of this Act (other  
19 than chapter 1 of title I and section 124).".

20 (2) Redesignate subsection "(c)" as subsection "(e)",  
21 and insert after subsection (b) the following new sub-  
22 sections:

23 "(c) Not to exceed \$1,500,000 of funds made available  
24 under title II may be transferred in the fiscal year 1957  
25 for necessary administrative expenses not otherwise provided



1 *for incident to carrying out functions under the Agricultural*  
2 *Trade Development and Assistance Act of 1954, as amended*  
3 *(7 U. S. C. 1691 and the following), delegated or assigned*  
4 *to any agency or officer administering nonmilitary assistance,*  
5 *and the amounts so transferred shall be consolidated with*  
6 *funds made available pursuant to this section for said fiscal*  
7 *year.*

8       “(d) There are authorized to be appropriated to the  
9 Department of State such amounts, not to exceed \$7,000,000  
10 in any fiscal year, as may be necessary from time to time  
11 for administrative expenses which are incurred for normal  
12 functions of the Department which relate to functions under  
13 this Act.”

14       (j) In section 413 (b) (2), after “to encourage and  
15 facilitate the flow of private investment to”, insert “, and its  
16 equitable treatment in,”.

17       (k) Amend section 413 (b) (4) as follows:

18       (1) Substitute “June 30, 1967” for “June 30, 1957”.

19       (2) Amend subparagraph (F) to read as follows:

20       “(F) the President is authorized to issue guaranties  
21 up to a total face value of \$500,000,000 exclusive of  
22 informational media guaranties heretofore and hereafter  
23 issued pursuant to section 1011 of the Act of January  
24 27, 1948, as amended (22 U. S. C. 1442), and section  
25 111 (b) (3) of the Economic Cooperation Act of 1948,

1     *as amended (22 U. S. C. 1509 (b) (3))*: *Provided,*  
2     *That any funds allocated to a guaranty and remaining*  
3     *after all liability of the United States assumed in con-*  
4     *nection therewith has been released, discharged, or*  
5     *otherwise terminated, and funds realized after June 30,*  
6     *1955, from the sale of currencies or other assets acquired*  
7     *pursuant to subparagraph (C), shall be available for*  
8     *allocation to other guaranties, and the foregoing limi-*  
9     *tation shall be increased to the extent that such funds*  
10    *become available. Any payments made to discharge*  
11    *liabilities under guaranties issued under this paragraph*  
12    *shall be paid out of fees collected under subparagraph*  
13    *(E) as long as such fees are available, and thereafter*  
14    *shall be paid out of funds realized from the sale of cur-*  
15    *rencies or other assets acquired pursuant to sub-*  
16    *paragraph (C) and notes which have been issued*  
17    *under authority of paragraph 111 (c) (2) of the Eco-*  
18    *nomic Cooperation Act of 1948, as amended, and au-*  
19    *thorized to be issued under this paragraph by the Director*  
20    *of the International Cooperation Administration, when*  
21    *necessary to discharge liabilities under any such guaranty:*  
22    *Provided, That all guaranties issued after June 30, 1956,*  
23    *pursuant to this paragraph shall be considered for the*  
24    *purposes of sections 3679 (31 U. S. C. 665) and 3732*  
25    *(41 U. S. C. 11) of the Revised Statutes, as amended,*



as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: Provided further, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2)."

(l) Add the following new sections:

"SEC. 421. FOOD AND AGRICULTURE ORGANIZATION.—Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking out the

1 figure '\$2,000,000' in section 2 thereof and inserting in lieu  
 2 thereof the figure '\$3,000,000', and by inserting before the  
 3 period at the end of such section a colon and the following:  
 4 'Provided, That the percentage contribution of the United  
 5 States to the total annual budget of the Organization shall  
 6 not exceed 31.5 per centum'.

7 "SEC. 422. ECONOMIC DEVELOPMENT FUND FOR  
 8 LATIN AMERICAN COUNTRIES.—(a) The Congress of the  
 9 United States reaffirms the policy of the United States to  
 10 further promote friendly relations and Western Hemispheric  
 11 economic development through assisting the peoples of Latin  
 12 America in their efforts to obtain economic and social well-  
 13 being, to safeguard basic rights and liberties, and to protect  
 14 their security and independence. The Congress hereby rec-  
 15 ognizes that fundamental to these goals is an expanding  
 16 economic growth of the Latin American area based upon  
 17 self-help and mutual cooperation and full utilization of al-  
 18 ready existing resources and knowledge. The Congress  
 19 expresses the willingness of the people of the United States  
 20 to support the foregoing objectives to the extent to which  
 21 the countries in the area continue to make effective use of  
 22 their own resources and external resources otherwise avail-  
 23 able to them.

24 "(b) In order to carry out the purposes of this section,  
 25 there is hereby authorized to be established a fund, to be



1 known as the 'Economic Development Fund for Latin Amer-  
2 ican Countries' (hereinafter referred to as the 'fund') and  
3 there is hereby authorized to be appropriated to the Presi-  
4 dent for the fiscal year 1957 an amount of \$35,000,000,  
5 such amount to remain available until expended.

6       “(c) The President is authorized to utilize the appro-  
7 priations made available for the fund to accomplish in the  
8 Latin American area the policies and purposes declared in  
9 this Act and to disburse on such terms and conditions, in-  
10 cluding transfer of funds, as he may specify to any person,  
11 corporation, or body of persons however designated, or to  
12 any Latin American government, agency, or organization  
13 or group of governments or agencies as may be appropriate:  
14 Provided, That such assistance shall emphasize loans rather  
15 than grants wherever possible, and not less than 75 per  
16 centum of the funds appropriated pursuant to this section  
17 shall be available only for furnishing assistance on terms of  
18 repayment in accordance with the provisions of section 505,  
19 and not more than 25 per centum of said funds may be allo-  
20 cated for assistance to any one country.

21       “(d) In utilizing the fund, the President shall give pref-  
22 erence to: (1) projects or programs that will clearly con-  
23 tribute to promoting health, education, and sanitation in  
24 the area as a whole or among a group or groups of countries  
25 of the area, and (2) such joint health, education, and sani-

1    *tation assistance programs undertaken by members of the*  
2    *Organization of American States."*

3        *SEC. 9. Title V, chapter 1, of the Mutual Security Act*  
4    *of 1954, as amended, which relates to general provisions, is*  
5    *further amended as follows:*

6        *(a) In section 501, which relates to transferability of*  
7    *funds, strike out the last three sentences.*

8        *(b) In section 502 (b), which relates to use of foreign*  
9    *currencies by committees of Congress, strike out "Joint*  
10   *Committee on the Economic Report" and insert "Joint*  
11   *Economic Committee and the Senate Select Committee on*  
12   *Small Business."*

13        *(c) Amend section 507, which relates to availability of*  
14   *funds, to read as follows:*

15        *"SEC. 507. Availability of Funds.—Except as otherwise*  
16   *provided in this Act, funds shall be available to carry out the*  
17   *provisions of this Act (other than sections 414 and 416) as*  
18   *authorized and appropriated to the President each fiscal*  
19   *year."*

20        *(d) In section 509, which relates to shipping on United*  
21   *States vessels, after "this Act" in the last sentence thereof,*  
22   *insert "or the Agricultural Trade Development and Assist-*  
23   *ance Act of 1954, as amended (7 U. S. C. 1691 and the*  
24   *following),".*



1       (e) Add the following new section:

2       “SEC. 515. Provisions in this Act authorizing the appro-  
3       priation of funds shall be construed to authorize the granting  
4       in any appropriation Act of authority to enter into contracts,  
5       within the amounts so authorized to be appropriated, creat-  
6       ing obligations in advance of appropriations.”

7       SEC. 10. Title V, chapter 2, of the Mutual Security Act  
8       of 1954, as amended, which relates to organization and  
9       administration, is further amended as follows:

10       (a) Amend section 522, which relates to allocation and  
11       reimbursement among agencies, as follows:

12       (1) Add the following at the end of subsection (b):  
13       “The Administrator of General Services is authorized to  
14       maintain in a separate consolidated account, which shall be  
15       free from fiscal year limitations, payments received by the  
16       General Services Administration for administrative sur-  
17       charges in connection with procurement services performed  
18       by the General Services Administration in furtherance of the  
19       purposes of this Act. Such payments shall be in amounts  
20       mutually acceptable to the General Services Administration  
21       and the United States Government agency which finances  
22       the procurement, and these amounts shall be available for  
23       administrative expenses incurred by the General Services  
24       Administration in performing such procurement services.”

1       (2) Add the following new subsection:

2       “(f) Any appropriation made to carry out the pro-  
3 visions of this Act may initially be charged, within the limits  
4 of available funds, to finance expenses for which funds are  
5 available in other appropriations made under this Act: Pro-  
6 vided, That as of the end of the same fiscal year such ex-  
7 penses shall be finally charged to applicable appropriations  
8 with proper credit to the appropriations initially utilized  
9 for financing purposes.”

10       (b) In section 530, which relates to experts and con-  
11 sultants or organizations thereof, insert before the period  
12 at the end of subsection (a) the following: “: Provided,  
13 That contracts for such employment with such organizations  
14 may be renewed annually”.

15       (c) Amend section 535, which relates to cooperation  
16 with international organizations, as follows:

17       (1) Insert “NATIONS AND” after “WITH” in the  
18 title.

19       (2) Amend subsection (b) to read as follows:

20       “(b) Whenever the President determines it to be in fur-  
21 therance of the purposes and within the limitations of this  
22 Act, United States Government agencies, on request of  
23 international organizations, are authorized to furnish sup-  
24 plies, materials, and services, and on request of nations, are  
25 authorized to furnish nonmilitary supplies, materials, and



1 services, to such organizations and nations on an advance  
2 of funds or reimbursement basis. Such advances, or re-  
3 imbursements which are received under this subsection within  
4 one hundred and eighty days after the close of the fiscal year  
5 in which such supplies, materials, and services are delivered,  
6 may be credited to the current applicable appropriation or  
7 fund of the agency concerned and shall be available for the  
8 purposes for which such appropriations and funds are  
9 authorized to be used.”

10 (d) Add the following new section:

11 “SEC. 537. PROVISIONS ON USES OF FUNDS.—

12 “(a) Appropriations for the purposes of this Act (ex-  
13 cept for chapter 1 of title I and section 124), allocations to  
14 any United States Government agency, from other appro-  
15 priations, for functions directly related to the purposes of  
16 this Act, and funds made available for other purposes to  
17 any agency administering nonmilitary assistance, shall be  
18 available for:

19 “(1) rents in the District of Columbia for the  
20 fiscal year 1957;

21 “(2) expenses of attendance at meetings con-  
22 cerned with the purposes of such appropriations, in-  
23 cluding (notwithstanding the provisions of section 9  
24 of the Act of March 4, 1909 (31 U. S. C. 673)), ex-  
25 penses in connection with meetings of persons whose

1       employment is authorized by section 530 of this Act;

2           “(3) employment of aliens, by contract, for serv-  
3       ices abroad;

4           “(4) purchase, maintenance, operation, and hire of  
5       aircraft: Provided, That aircraft for administrative  
6       purposes may be purchased only as specifically provided  
7       for in an appropriation or other Act;

8           “(5) purchase and hire of passenger motor vehicles:  
9       Provided, That, except as may otherwise be provided in  
10      an appropriation or other Act, passenger motor vehicles  
11      abroad for administrative purposes may be purchased  
12      for replacement only and such vehicles may be ex-  
13      changed or sold and replaced by an equal number of  
14      such vehicles and the cost, including exchange allow-  
15      ance, of each such replacement shall not exceed \$3,300  
16      in the case of an automobile for the chief of any special  
17      mission or staff abroad established under section 526 of  
18      this Act: Provided further, That passenger motor  
19      vehicles may be purchased for use in the continental  
20      United States only as may be specifically provided in  
21      an appropriation or other Act;

22           “(6) entertainment within the United States (not  
23      to exceed \$15,000 in any fiscal year except as may  
24      otherwise be provided in an appropriation or other  
25      Act);



1       “(7) exchange of funds without regard to section  
2       3651 of the Revised Statutes (31 U. S. C. 543), and  
3       loss by exchange;

4       “(8) expenditures (not to exceed \$50,000 in any  
5       fiscal year except as may otherwise be provided in an  
6       appropriation or other Act) of a confidential character  
7       other than entertainment: Provided, That a certificate of  
8       the amount of each such expenditure, the nature of  
9       which it is considered inadvisable to specify, shall be  
10      made by an officer administering nonmilitary assistance,  
11      or such person as he may designate, and every such  
12      certificate shall be deemed a sufficient voucher for the  
13      amount therein specified;

14      “(9) insurance of official motor vehicles in foreign  
15      countries;

16      “(10) rental of quarters outside the continental  
17      limits of the United States to house employees of the  
18      United States Government (without regard to section  
19      322 of the Act of June 30, 1932, as amended (40  
20      U. S. C. 278a)), lease, necessary repairs and altera-  
21      tions to quarters;

22      “(11) actual expenses of preparing and transport-  
23      ing to their former homes in the United States or else-  
24      where, and of care and disposition of, the remains of  
25      persons or members of the families of persons who may

1     *die while such persons are away from their homes par-*  
2     *ticipating in activities carried out with funds covered by*  
3     *this subsection (a);*

4             *“(12) purchase of uniforms;*

5             *“(13) payment of per diem in lieu of subsistence*  
6     *to foreign participants engaged in any program of fur-*  
7     *nishing technical information and assistance, while such*  
8     *participants are away from their homes in countries other*  
9     *than the continental United States, at rates not in excess*  
10    *of those prescribed by the Standardized Government*  
11    *Travel Regulations, notwithstanding any other provision*  
12    *of law;*

13            *“(14) expenses authorized by the Foreign Service*  
14    *Act of 1946, as amended (22 U. S. C. 801 and the*  
15    *following), not otherwise provided for;*

16            *“(15) ice and drinking water for use abroad;*

17            *“(16) services of commissioned officers of the Pub-*  
18    *lic Health Service and of the Coast and Geodetic Survey,*  
19    *and for the purposes of providing such services the Pub-*  
20    *lic Health Service may appoint not to exceed twenty offi-*  
21    *cers in the regular corps to grades above that of senior*  
22    *assistant, but not above that of director, as otherwise*  
23    *authorized in accordance with section 711 of the Act*  
24    *of July 1, 1944, as amended (42 U. S. C. 211a), and*  
25    *the Coast and Geodetic Survey may appoint for such*



1        *purposes not to exceed twenty commissioned officers in*  
2        *addition to those otherwise authorized;*

3            “(17) *expenses in connection with travel of per-*  
4        *sonnel outside the continental United States, including*  
5        *travel expenses of dependents (including expenses dur-*  
6        *ing necessary stopovers while engaged in such travel)*  
7        *and transportation of personal effects, household goods,*  
8        *and automobiles of such personnel when any part of such*  
9        *travel or transportation begins in one fiscal year pursu-*  
10       *ant to travel orders issued in that fiscal year, notwith-*  
11       *standing the fact that such travel or transportation may*  
12       *not be completed during that same fiscal year, and cost of*  
13       *transporting to and from a place of storage, and the*  
14       *cost of storing, the furniture and household and personal*  
15       *effects of any employee (i) for not to exceed three*  
16       *months after first arrival at a new post, (ii) when an*  
17       *employee is assigned to a post to which he cannot take,*  
18       *or at which he is unable to use, his furniture and house-*  
19       *hold and personal effects, or (iii) when such storage*  
20       *would avoid the cost of transporting such furniture and*  
21       *effects from one location to another, under such regula-*  
22       *tions as an officer administering nonmilitary assistance,*  
23       *or such person as he may designate, may prescribe.*

24            “(18) *payment of unusual expenses incident to the*  
25        *operation and maintenance of official residences for chiefs*

1 of special missions or staffs serving in accordance with  
2 section 526 of this Act.

3 “(b) United States Government agencies are authorized  
4 to pay the costs of health and accident insurance for foreign  
5 participants in any exchange-of-persons program or any  
6 program of furnishing technical information and assistance  
7 administered by any such agency while such participants  
8 are en route or absent from their homes for purposes of  
9 participation in any such program.

10 “(c) Not to exceed \$12,000,000 of the funds available  
11 in the fiscal year 1957 for assistance in Korea under this  
12 Act may be used by the President to construct or otherwise  
13 acquire living quarters, office space, and supporting facilities  
14 in Korea for use by personnel carrying out activities under  
15 this Act.”

16 SEC. 11. Title V, chapter 3, of the Mutual Security  
17 Act of 1954, as amended, which relates to repeal and mis-  
18 cellaneous provisions, is further amended as follows:

19 (a) Amend section 544, which relates to amendments  
20 to other laws, by adding the following new subsections:

21 “(c) In section 4 of the Act of May 26, 1949 (63  
22 Stat. 111, 5 U. S. C. 151c), insert after the words ‘such  
23 functions’ the following: ‘, including if he shall so specify  
24 the authority successively to redelegate any of such func-  
25 tions,’.



1       “(d) In the first sentence of section 32 (b) (2) of the  
 2   *Surplus Property Act of 1944, as amended (50 U. S. C.*  
 3   *App. 1641 (b) (2))*, after ‘any agency thereof’, insert  
 4   ‘including amounts received in repayment of principal or  
 5   interest on any loan made under section 505 (b) of the  
 6   *Mutual Security Act of 1954, as amended*’.

7       “(e) Section 933 of the *Foreign Service Act of 1946*,  
 8   as amended (22 U. S. C. 1148), is hereby amended by  
 9   inserting after ‘continental United States’ where it appears  
 10   in both subsection (a) and subsection (b) of that section  
 11   ‘, its Territories and possessions,’.

12       “(f) Section 1441 (c) of the *Internal Revenue Code*  
 13   of 1954 is hereby amended by inserting after paragraph (5)  
 14   the following new paragraph:

15               “(6) *PER DIEM OF CERTAIN ALIENS*.—No deduc-  
 16   tion or withholding under subsection (a) shall be re-  
 17   quired in the case of amounts of per diem for subsistence  
 18   paid by the United States Government (directly or by  
 19   contract) to any nonresident alien individual who is  
 20   engaged in any program of training in the United States  
 21   under the *Mutual Security Act of 1954, as amended*.’

22       “(g) Section 1011 of the *United States Information and*  
 23   *Educational Exchange Act of 1948, as amended (22*  
 24   *U. S. C. 1442)*, is amended by inserting ‘(a)’ before ‘The  
 25   Director’, by deleting everything after the words ‘national

1 *interests of the United States', by inserting a period at that*  
2 *point, and by inserting the following new subsections:*

3       “ ‘(b) *The Director is authorized to assume the obliga-*  
4 *tion of not to exceed \$28,000,000 of the notes authorized*  
5 *to be issued pursuant to subsection 111 (c) (2) of the*  
6 *Economic Cooperation Act of 1948, as amended (22*  
7 *U. S. C. 1509 (c) (2)), together with the interest accrued*  
8 *and unpaid thereon, and to obtain advances from time to*  
9 *time from the Secretary of the Treasury up to such amount,*  
10 *less amounts previously advanced on such notes, as provided*  
11 *for in said notes. Such advances shall be deposited in a*  
12 *special account in the Treasury available for payments*  
13 *under informational media guaranties.*

14       “ ‘(c) *The Director is authorized to make informational*  
15 *media guaranties without regard to the limitations of time*  
16 *contained in subsection 413 (b) (4) of the Mutual Se-*  
17 *curity Act of 1954, as amended (22 U. S. C. 1933 (b)*  
18 *(4)), but the total of such guaranties outstanding at any*  
19 *one time shall not exceed the sum of the face amount of*  
20 *the notes assumed by the Director less the amounts pre-*  
21 *viously advanced on such notes by the Secretary of the*  
22 *Treasury plus the amount of the funds in the special account*  
23 *referred to in subsection (b).*

24       “ ‘(d) *Foreign currencies available after June 30,*  
25 *1955, from conversions made pursuant to the obligation of*



1 informational media guaranties may be sold, in accordance  
2 with Treasury Department regulations, for dollars which  
3 shall be deposited in the special account and shall be avail-  
4 able for payments under new guaranties. Such currencies  
5 shall be available, as may be provided for by the Congress in  
6 appropriation Acts, for use for educational, scientific, and  
7 cultural purposes which are in the national interest of the  
8 United States, and for such other purposes of mutual interest  
9 as may be agreed to by the governments of the United States  
10 and the country from which the currencies derive.

11 ““(e) Notwithstanding the provisions of subparagraph  
12 413 (b) (4) (E) of the Mutual Security Act of 1954, as  
13 amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees  
14 collected for the issuance of informational media guaranties  
15 shall be deposited in the special account and shall be avail-  
16 able for payments under informational media guaranties;  
17 and (2) the Director may require the payment of a mini-  
18 mum charge of up to fifty dollars for issuance of guaranty  
19 contracts, or amendments thereto.

20 ““(f) The Director is further authorized, under such  
21 terms as he may prescribe, to make advance payments  
22 under informational media guaranties: Provided, That cur-  
23 rencies receivable from holders of such guaranties on account  
24 of such advance payments shall be paid to the United  
25 States within nine months from the date of the advance

1 payment and that appropriate security to assure such pay-  
 2 ments is required before any advance payment is made.

3 “‘(g) As soon as feasible after the enactment of this  
 4 subsection, all assets, liabilities, income, expenses, and charges  
 5 of whatever kind pertaining to informational media guar-  
 6 anties, including any charges against the authority to issue  
 7 notes provided in section 111 (c) (2) of the Economic  
 8 Cooperation Act of 1948, as amended, cumulative from the  
 9 enactment of that Act, shall be accounted for separately from  
 10 other guaranties issued pursuant to subsection 413 (b) of  
 11 the Mutual Security Act of 1954, as amended (22 U. S. C.  
 12 1933 (b)): Provided, That there shall be transferred from  
 13 the special account established pursuant to subsection (a),  
 14 into the account available for payments under guaranties  
 15 other than informational media guaranties, an amount equal  
 16 to the total of the fees received for the issuance of guar-  
 17 anties other than informational media guaranties, and used  
 18 to make payments under informational media guaranties.’

19 “(h) Section 104 (h) of the Agricultural Trade De-  
 20 velopment and Assistance Act of 1954, as amended (Public  
 21 Law 480, Eighty-third Congress; 7 U. S. C. 1704), is  
 22 amended by adding at the end thereof the following: ‘Not  
 23 less than 5 per centum of the aggregate of the foreign cur-  
 24 rencies accruing under this title, including currencies received  
 25 in repayments of loans under subsection (g) of this section



1 *(which 5 per centum shall not be computed separately for*  
 2 *each purchasing country but for all such countries combined),*  
 3 *shall be used for the purposes of this subsection. In the allo-*  
 4 *cation of funds as among the various purposes set forth in*  
 5 *this section, a special effort shall be made to provide for the*  
 6 *purposes of this subsection in regard to: (1) countries where*  
 7 *adequate funds are not available from other sources for such*  
 8 *purposes, and (2) countries where agreements can be nego-*  
 9 *tiated to establish a fund with the interest and principal avail-*  
 10 *able over a period of years for such purposes.'*

11 *"(i) Section 104 of the Agricultural Trade Develop-*  
 12 *ment and Assistance Act of 1954 (Public Law 480, Eighty-*  
 13 *third Congress; 7 U. S. C. 1704) as amended, is further*  
 14 *amended by adding after paragraph (h) the following new*  
 15 *paragraph:*

16 *" '(i) for financing the translation, publication, and*  
 17 *distribution of books and periodicals, including Gov-*  
 18 *ernment publications, abroad: Provided, That not more*  
 19 *than \$5,000,000 may be allocated for this purpose dur-*  
 20 *ing any fiscal year.' "*

21 *(b) Amend section 545, which relates to definitions, as*  
 22 *follows:*

23 *(1) Add at the end of subsection (h) the following:*  
 24 *"Notwithstanding the foregoing provisions of this subsection*  
 25 *(h) and for the purpose of establishing a more equitable*

1 pricing system for transactions between the military depart-  
2 ments and the Mutual Defense Assistance Program, the  
3 Secretary of Defense shall prescribe at the earliest practicable  
4 date, through appropriate pricing regulations of uniform ap-  
5 plicability, that the term 'value' (except in the case of excess  
6 equipment or materials) shall mean—

7 “(1) the price of equipment or materials obtaining  
8 for similar transactions between the Armed Forces  
9 of the United States; or

10 “(2) where there are no similar transactions within  
11 the meaning of paragraph (1), the gross cost to the  
12 United States adjusted as appropriate for condition and  
13 market value.”

14 (2) Add the following new subsections:

15 “(j) The term ‘agency administering nonmilitary assist-  
16 ance’ shall refer to any agency to which authorities and func-  
17 tions under chapter 3 of title I, title II, title III, or title IV  
18 of this Act are delegated or assigned pursuant to authority  
19 contained in sections 521 and 525 of this Act.

20 “(k) The term ‘officer administering nonmilitary assist-  
21 ance’ shall refer to any officer to whom authorities and func-  
22 tions under chapter 3 of title I, title II, title III, or title IV  
23 of this Act are delegated or assigned pursuant to authority  
24 contained in sections 521 and 525 of this Act.”

25 (c) In section 548, which relates to unexpended



1 balances, strike out “section 110 of the Mutual Security  
 2 Appropriation Act, 1955 (Public Law 778, Eighty-third  
 3 Congress)” and insert “section 108 of the Mutual Security  
 4 Appropriation Act, 1956 (Public Law 208, Eighty-fourth  
 5 Congress)”, substitute “1957” for “1956” and “June 30,  
 6 1956” for June 30, 1955”, and after the word “That”  
 7 insert a comma and the following: “except for funds appro-  
 8 priated pursuant to section 407, relating to Palestine Ref-  
 9 ugees, and section 418, relating to the President’s Fund for  
 10 Asian Economic Development,”.

11 (d) Add the following new section:

12 SEC. 549. It is the sense of the Congress that the Presi-  
 13 dent should explore with other nations the establishment of  
 14 an International Food and Raw Materials Reserve under  
 15 the auspices of the United Nations and related international  
 16 organizations for the purpose of acquiring and storing in  
 17 appropriate countries raw or processed farm products and  
 18 other raw materials, exclusive of minerals, with a view to  
 19 their use in—

20 (1) preventing extreme price fluctuations in the  
 21 international market in these commodities;

22 (2) preventing famine and starvation;

23 (3) helping absorb temporary market surpluses of  
 24 farm products and other raw materials (exclusive of  
 25 minerals);

1           (4) economic and social development programs  
2       *formulated in cooperation with other appropriate inter-*  
3       *national agencies.*

4       *Participation by the United States in such an Interna-*  
5       *tional Food and Raw Materials Reserve shall be contingent*  
6       *upon statutory authorization or treaty approval, as may be*  
7       *appropriate. The President shall include in each of the*  
8       *semiannual reports required by section 534 an account of*  
9       *action taken under this section.*

10                   FOREIGN RESEARCH REACTOR PROJECTS

11       SEC. 12. (a) *As one means of furthering peaceful uses*  
12       *of atomic energy on an international basis, there is hereby*  
13       *authorized to be appropriated to the President for the fiscal*  
14       *year 1957 not to exceed \$5,950,000 for use by the Presi-*  
15       *dent, on such terms and conditions as he may specify, for*  
16       *research reactor projects undertaken or authorized by foreign*  
17       *governments which shall have entered into agreements for*  
18       *cooperation with the Government of the United States con-*  
19       *cerning the peaceful uses of atomic energy.*

20       (b) *Nothing in this section shall alter, amend, revoke,*  
21       *repeal, or otherwise affect the provisions of the Atomic*  
22       *Energy Act of 1954.*

23       (c) *The United States share of the cost of any reactor*  
24       *made available to another government or to other govern-*  
25       *ments under this section shall not exceed \$350,000.*



1        *(d) In carrying out the purposes of this section the*  
2 *Director of the International Cooperation Administration,*  
3 *the Atomic Energy Commission, and other United States*  
4 *departments and agencies shall give full and continuous*  
5 *publicity through the press, radio, and all other available*  
6 *media, so as to inform the peoples of the participating*  
7 *countries regarding the assistance, including its purpose,*  
8 *source, and character, furnished by the United States. Such*  
9 *portions of the equipment furnished under this section as*  
10 *may be appropriately die-stamped as a product of the United*  
11 *States shall be so stamped.*

12        *SEC. 13. It is the sense of Congress that \$11,000,000*  
13 *of the funds made available pursuant to the Mutual Security*  
14 *Act of 1954, as amended, for the fiscal year 1957 be trans-*  
15 *ferred, in the discretion of the President, to the Department*  
16 *of State to carry out international educational exchange*  
17 *activities. Such amount is authorized to be transferred to*  
18 *and consolidated with funds made available to the Depart-*  
19 *ment of State for the fiscal year 1957 for the activities author-*  
20 *ized by the United States Information and Educational*  
21 *Exchange Act of 1948, as amended (22 U. S. C. 1431-*  
22 *1479), and by section 32 (b) (2) of the Surplus Property*  
23 *Act of 1944, as amended (50 U. S. C., App. 1641 (b)).*  
24 *The amount transferred pursuant to this section shall be in*  
25 *addition to funds otherwise appropriated for such activities,*

1 and not to exceed \$500,000 of the amount so transferred may  
2 be used for administrative expenses.

3 SEC. 14. (a) It is the declared policy of the Congress  
4 to resist the spread of communism. The issue between the  
5 free and the slave world is essentially whether freedom shall  
6 survive. The struggle to preserve freedom, however, is not  
7 to be won solely by further resistance to enslavement, but  
8 also by keeping alive in the hearts of enslaved people the  
9 spirit and hope of freedom. It is the purpose of this section  
10 to advance the cause of freedom.

11 (b) (1) There shall be established in the Treasury  
12 Department a special fund which shall be available without  
13 fiscal-year limitation for financing the activities authorized  
14 by paragraph (a). There is hereby authorized to be appro-  
15 priated to such fund out of the funds heretofore authorized  
16 not to exceed the sum of \$20,000,000.

17 (2) Notwithstanding section 1415 of the Supplemental  
18 Appropriation Act, 1953, or any other provision of law,  
19 foreign currencies or credits owed to or owned by the  
20 United States shall, with the approval of the President,  
21 be made available for the purpose of making any grant  
22 authorized by this section.

23 SEC. 15. It is the sense of Congress that in the prepara-  
24 tion of the mutual security program, the President should  
25 take more fully into account the desirability of affirmatively



1 promoting the economic development of underdeveloped  
2 countries, both as a means of effectively counteracting the  
3 increased political and economic emphasis of Soviet foreign  
4 policy and as a means of promoting fundamental American  
5 foreign policy objectives of political and economic self-  
6 determination and independence.

Passed the House of Representatives June 11, 1956.

Attest:

RALPH R. ROBERTS,  
*Clerk.*

Passed the Senate with an amendment June 29, 1956.

Attest:

FELTON M. JOHNSTON,  
*Secretary.*

84TH CONGRESS  
2D SESSION

H. R. 11356

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## AN ACT

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To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 29, 1956

Ordered to be printed with the amendment of the  
Senate



received from the diligent members of the Committee on Appropriations and from the distinguished minority leader in making it possible to clear all the departmental appropriation bills before the end of the fiscal year.

Mr. CHAVEZ. Mr. President, I wonder if the Senator from Texas will yield to me for a moment.

Mr. JOHNSON of Texas. I yield.

Mr. CHAVEZ. I desire to thank the members of the minority who are on the Defense Department Appropriations Subcommittee. They have cooperated to the fullest extent. We have not always agreed, but we have respected the right of disagreement, and I want to make my voice heard, at least at this time, in thanking the members on the minority side of the Defense Appropriations Subcommittee.

Mr. HAYDEN. Mr. President, with the

adoption of the conference report on the Defense Department appropriation bill for 1957, action has been completed by the Congress on all the regular appropriations bills for next year. I have a table which reflects the action of the House of Representatives and the action of the Senate on the budget estimates submitted to each body. The final amount approved for the regular appropriations bills is \$52,014,166,315. This amounts to a net increase of \$543,722,069 over the budget estimates of \$51,470,444,246 submitted to the Senate. The chief reasons for the increase in the amount appropriated over the budget estimates are the following: Civil Service retirement and disability fund, \$230 million; rivers and harbors and flood-control projects, \$38,226,000; Air Force build-up recommended by Senate Appropriations Committee, \$900 million.

There are two appropriations bills pending, and the figures on these bills are not reflected in the totals I have mentioned. The budget estimates submitted so far for the supplemental appropriation bill total \$3,133,980,325 and the budget estimate submitted for the mutual security program totals \$4,859,975,000. It is expected that these two bills will come to the Senate from the House in the near future.

The table does not reflect permanent appropriations, estimated to total \$7,564,859,833, which require no further action from Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the details for each department.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table of regular appropriation bills, 84th Cong., 2d sess., fiscal year 1957

Bill No. H. R.	Title of bill	House			Senate			Public law, amount as approved	Increase (+) or decrease (-), law compared to budget estimates Senate	Public Law No.
		Budget estimates to House	Amount as reported	Amount as passed	Budget estimates to Senate	Amount as reported	Amount as passed			
11177	Agriculture.....	\$1,987,302,268	\$1,983,512,568	\$1,983,512,568	\$1,989,841,668	\$2,016,771,068	\$2,018,331,068	\$1,993,744,968	+\$3,903,300	554
10899	Commerce.....	1,522,673,000	1,382,003,000	1,382,003,000	1,522,673,000	1,445,566,000	1,446,316,000	1,416,732,000	-105,941,000	604
10986	Defense.....	34,147,850,000	33,635,066,000	33,635,066,000	34,147,850,000	34,983,734,000	34,783,734,000	34,650,727,000	+508,877,000	-----
10003	District of Columbia.....	(182,899,500)	(179,797,800)	(179,797,800)	(182,899,500)	(181,682,050)	(181,687,490)	(181,612,490)	(-1,287,010)	-----
	Federal payment.....	22,358,650	22,358,650	22,358,650	22,358,650	22,708,650	22,708,650	22,558,650	+200,000	-----
9536	General Government.....	15,014,475	14,849,275	14,849,275	15,014,475	14,969,975	14,969,975	14,969,975	-44,500	578
9739	Independent Offices.....	5,783,704,000	6,005,157,260	6,010,543,290	5,783,704,000	5,916,997,258	5,925,187,646	5,966,517,826	+182,813,826	623
9390	Interior.....	426,748,200	415,963,200	415,963,200	435,142,300	433,851,400	433,876,400	423,934,100	-11,208,200	573
9720	Labor-HEW.....	2,363,648,400	2,296,810,781	2,296,981,781	2,363,885,400	2,372,023,281	2,372,523,281	2,366,380,781	+2,145,381	-----
11473	Legislative.....	93,664,903	89,376,450	89,376,450	122,496,933	117,804,058	117,804,058	117,804,058	-4,692,875	624
11319	Public Works.....	818,501,000	787,453,000	790,758,000	818,501,000	871,886,000	872,186,000	856,727,000	+38,226,000	-----
10721	State-Justice-Judiciary.....	598,169,820	541,367,372	541,367,372	599,104,820	556,271,517	556,271,517	548,930,957	-50,173,863	603
9064	Treasury, Post Office.....	3,649,872,000	3,618,699,000	3,618,699,000	3,649,872,000	3,639,579,000	3,639,579,000	3,629,139,000	-20,733,000	467
	Total.....	51,429,506,716	50,792,616,556	50,801,478,586	51,470,444,246	52,392,162,207	52,203,487,595	52,014,166,315	+543,722,069	-----

#### MUTUAL SECURITY ACT OF 1956

The Senate resumed the consideration of the bill (H. R. 11356) to further amend the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. O'MAHONEY. Mr. President, I call up my amendments designated as "6-27-56-E" and "6-27-56-F," which, because they deal with the same subject, I intend to offer consecutively.

First I shall address myself to amendment E—

The PRESIDING OFFICER. The amendment should first be stated by the clerk.

The LEGISLATIVE CLERK. In the committee amendment, beginning with line 10, on page 25, it is proposed to strike out down to, and including, line 3 on page 26, and in lieu thereof to insert:

SEC. 2. Statement of policy: (a) The Congress of the United States recognizes that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, by the continuous development of airpower and the construction of nuclear weapons, and by the use of economic pressure, internal subversion, or other means, to attempt to bring under their domination peoples now free and independent, and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination. The Congress therefore declares it to be the policy of the United States to continue, as

long as such danger persists, (1) to expand its own airpower through the construction, in accordance with appropriations heretofore or hereafter made by the Congress, of planes, guided missiles, and other advanced weapons, so as to be prepared at all times to resist any attack by Communist power, and (2) to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

The PRESIDING OFFICER. Is there objection to the consideration of the two amendments en bloc?

Mr. O'MAHONEY. Mr. President, I did not make that request. I said I would offer them consecutively. Therefore, I am offering first the amendment identified as "E." I want the full time, if it should be necessary.

Now, in order to explain this amendment—and I allow myself 10 minutes for that purpose—I must refer to the statement of policy which the Senate Committee on Foreign Relations has adopted as an amendment to the House bill. I congratulate the committee and its chairman, whose record and character have never been exceeded upon the floor of the Senate in all its history. The statement of policy as reported by the committee was directed to making it clear to the world why the United States

is authorizing these appropriations for mutual security—appropriations for defense and appropriations for economic aid. I read section 2:

The Congress of the United States recognizes that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means, to attempt to bring under their domination peoples now free and independent, and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination. The Congress therefore declares it to be the policy of the United States to continue, as long as such danger persists, to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

This is an excellent statement of policy, but it does not go quite far enough, in my judgment. It is fortunate that I have the opportunity of offering my amendment to this section immediately after the Senate has adopted the conference report on the defense appropriation bill of 1957. That bill, by vote now of the whole Congress, has increased the appropriations available for the construction of aircraft and for aircraft pro-



curement and for research, in order that the United States may continue to have a dominant control of the air—not for the purposes of aggression, not to wage war, but to make it clear to all nations that we do have the airpower, which alone can prevent aggression and a third world war.

And so my amendment is a simple one. On page 25 of the bill, after line 14, following the statement of the committee amendment that:

The peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action—

At that point my amendment would add the words—

by the continuous development of airpower and the construction of nuclear weapons.

That is a known fact. No one can deny that Russia, under the Soviet leadership, has been endeavoring to outproduce all the other nations of the world in nuclear weapons, and the Russians so boast.

The amendment reported by the committee recites, on page 25:

The Congress therefore declares it to be the policy of the United States to continue, as long as such danger persists—

Which means as long as danger from communism persists—

to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable and compatible with its own stability—

And so forth. My amendment inserts in the committee amendment, after the words "as such danger persists," the following statement of policy:

(1) to expand its own airpower through the construction, in accordance with appropriations heretofore or hereafter made by the Congress, of planes, guided missiles, and other advanced weapons, so as to be prepared at all times to resist any attack by Communist power.

These are the only changes my amendment makes in the Statement of Policy. The purpose of those changes is to announce to all concerned—to all the nations of the world, and particularly to Soviet Russia—that it is our purpose, in pursuit of peace, to construct an Air Force which will be so great that it can protect the world from subversion by military force by the Communist power. We dare not risk the danger that the Soviet power may undertake an unnoticed attack upon the United States, such as was undertaken by the Japanese on December 7, 1941.

Mr. President, it seems to me that there can be no doubt on the part of any Member of the Senate, particularly on the part of any member of the Committee on Foreign Relations, whose members have so clearly announced the danger, that today we should by means of adopting this amendment to the committee amendment, make it clear that we intend to keep in effect the appropriations which have been voted this year by the Senate.

We are operating now under limited time, and I wonder whether we can

shorten the debate by having the Senator from Georgia state now whether he will accept this amendment. It seems to me there is no controversy regarding it. The peace of the world was preserved when the British Government had control of the seas, but sea power is not now the great and decisive military factor. Today the dominant military power lies with the nation which has the facilities to deliver nuclear weapons at strategic points. There is no doubt that at this moment Russia could send its bombers over the North Pole area to the industrial centers of America, and that could be done without notice. A totalitarian power does not waste time declaring war, Mr. President. As was indicated in World War II, a totalitarian power strikes without notice; and we cannot hope to believe that the time has come when the totalitarian power has changed its spots. If we are to protect the free world against Communist aggression, we must make certain that the United States is not going to abandon the building up of her airpower.

Mr. President, let me ask the Chair how much time I have used.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The Chair is advised that the Senator from Wyoming has used 11 minutes, and has 19 minutes remaining.

Mr. O'MAHONEY. Mr. President, I yield to the Senator from Missouri [Mr. SYMINGTON], the former Secretary of the Air Force, and a very distinguished Member of this body, who knows this problem. I yield to him such time as he may wish to use.

Mr. SYMINGTON. Mr. President, I thank the distinguished Senator from Wyoming, who always has been an ardent advocate of airpower.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. SYMINGTON. Mr. President, I ask the distinguished Senator from Wyoming to state briefly exactly the purpose of his amendments.

Mr. O'MAHONEY. There are two amendments. The first amendment declares it to be the policy of the United States to continue to expand its air power as long as Soviet Russia continues to do so. In other words, I want disarmament, but I want disarmament by agreement, and I do not want the United States of America to be in such a position that it may be subject to another sneak attack.

Mr. SYMINGTON. What will the second amendment do?

Mr. O'MAHONEY. The second amendment, which I submitted the other day, would provide a new section, section 13, as follows:

SEC. 13. Notwithstanding any other provision of this act, in the event any portion of the funds appropriated by the Congress in the Department of Defense Appropriation Act, 1957, for aircraft and related procurement is impounded by Executive order or otherwise and not expended, there shall be withheld from expenditure a corresponding percentage of the unexpended balances of funds appropriated pursuant to authorizations contained in this act.

Mr. SYMINGTON. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. SYMINGTON. Is the Senator from Wyoming acquainted with the statement made by General Eisenhower on September 25, 1952, in which by implication he criticized the impounding of funds by the previous administration?

Mr. O'MAHONEY. I am aware that such criticism was voiced.

Mr. SYMINGTON. Nevertheless last year the funds which the Senate appropriated to maintain the Marine Corps at its current strength at that time were impounded by this administration. Is not that correct?

Mr. O'MAHONEY. Yes. The opinion of the Congress was that the Marines should be kept in a position of greater strength than that which they occupied at the time when the Congress appropriated the funds. But the administration, notwithstanding the Presidential signature to the appropriation bill making the appropriation for the strengthening of the Marines, gave orders that the money should not be expended.

Mr. SYMINGTON. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. SYMINGTON. The purpose of the Senator's second amendment is, in effect, to say that improving the air forces, naval forces, and armies of other countries should not be done at the expense of the United States Air Force. Is that correct?

Mr. O'MAHONEY. That is correct.

Mr. SYMINGTON. Does not the Senator know that in the case of some countries to which military aid is going, we have shipped the planes, but they have not yet trained the pilots; so the planes, in quantities, are lying around idle?

Mr. O'MAHONEY. The Senator is in a much better position than I am to state the facts. I shall be glad to have him answer his own question in that respect.

Mr. SYMINGTON. I think I presented those facts yesterday to the distinguished Senator from Wyoming, with respect to one particular case.

Mr. O'MAHONEY. Is the Senator referring to the situation in Belgium?

Mr. SYMINGTON. I am. It is a matter of published record.

Mr. O'MAHONEY. Although Belgium has the planes, it does not have the personnel.

Mr. SYMINGTON. Has not trained the personnel.

Mr. O'MAHONEY. That is correct.

Let me say to the Senator at this point that a young gentleman from my State, Mr. Larry Johnson, of Casper, Wyo., who was an all-American high-school football player on the Casper, Wyo., high school team, on which he played center, and who was one of my two appointees to the Air Force Academy, was sitting in the gallery a few minutes ago. He is going to the Air Force Academy. I want to be sure that when he and all the other students at the Air Force Academy are graduated, they will have the material with which to defend themselves and their country.

Mr. SYMINGTON. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.



Mr. SYMINGTON. As the Senator well knows, commanders of all the major commands of the Air Force have stated in testimony released by the Department of Defense, that they are short of planes, that they are short of personnel, and that they are short of bases. That situation has now been recognized by the Congress, which, under the Constitution, has the responsibility to raise and maintain our military establishment.

As I understand it, what the Senator has in mind is that, inasmuch as the Congress has decided on more money for the Air Force, he does not want to see more money given to foreign military establishments if it is to be denied to the United States Air Force through the impounding of funds.

Mr. O'MAHONEY. My conviction is that if the United States does not have adequate airpower, the whole world lacks airpower, and a sneak attack on the United States would mean the destruction of freedom. Therefore, I believe it is important that both of these amendments should be added to the bill.

Inquiry at the desk indicates that I have only 13 minutes remaining of the time allotted to me under the unanimous-consent agreement. After I answer the Senator's next question, or after he makes his next observation, I shall ask the opposition to express itself, if there is any opposition.

Mr. SYMINGTON. The Senator is an able constitutional lawyer with long experience in this field. What we are really getting into is the question of the right of the President and his aides to thwart the will of the Congress with respect to the size of the Military Establishment.

Is not that true?

Mr. O'MAHONEY. The Constitution of the United States gives to the Congress the right to make the appropriations. Congress passes the bills. The bills are sent to the President, and when they are signed by the President they become the law of the land. The President then, under his oath of office to execute the laws which are passed by the Congress, with his approval, has no right to impound funds thus appropriated.

Efforts have been made in the past to give the President the power to veto sections or items in appropriation bills. I would be glad to support such an amendment. But when there is no such power in the President, I want to make it explicitly clear that he cannot act in that way. That is totalitarianism. That is executive government.

Mr. SYMINGTON. Last night several Senators stated they were voting only with great reservations for military assistance to Yugoslavia, and they were doing so on the basis of trust in the President. Certainly if the Senate is willing to trust the President in connection with foreign aid, especially foreign military aid, the President should respect the opinion of the Congress as expressed only today.

Mr. O'MAHONEY. I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The time will be charged to the remaining time of the Senator from Wyoming.

Mr. O'MAHONEY. Will the Chair advise me how much time I have left?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. O'MAHONEY. I want the Senator to know what is being offered. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

Mr. O'MAHONEY. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. O'MAHONEY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 3½ minutes. Does the Senator from Wyoming yield back the remainder of his time?

Mr. O'MAHONEY. I am told by Senators who are walking around the Chamber that it may be possible to work out an agreement on the amendment. I therefore ask unanimous consent that my time may be suspended.

The PRESIDING OFFICER. Is there objection—

Mr. HICKENLOOPER. What is the request?

The PRESIDING OFFICER. The Chair is trying to state it. Is there objection to the request that the time of the Senator from Wyoming be suspended?

Mr. O'MAHONEY. I am asking that the time which is now being occupied by Members of the Senate in seeking to come to a compromise upon the amendment may not be taken out of my time. I have only 3 minutes remaining.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Georgia as much time as he may desire to use in opposition to the amendment.

Mr. GEORGE. Mr. President, the statement of policy in the bill contains everything that is contained in the proposed amendment, except that the Senator from Wyoming desires to add, as an additional policy statement, that, so long as the threat of communism continues, the United States will build up its airpower and nuclear power, and so forth, for its own security.

As a matter of fact, it would present to the world, on the one hand, an assurance of help, and, with the other hand, carry the deadly threat of nuclear weapons. It has no place in the bill. It ought not to be added to the bill. What our policy is, is a matter for the determination of other committees which have

jurisdiction over matters of that kind. If the Senator wishes to press his amendment, I suggest, rather than to continue to debate it on the floor, that we have a yea-and-nay vote on it. I would agree merely to take it to conference, but I would not agree to insist on it in conference, because it is so decidedly inharmonious with the whole purpose of the Mutual Security Act.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I yield.

Mr. O'MAHONEY. I now read from page 25 of the bill, beginning at line 10:

SEC. 2. Statement of policy: (a) The Congress of the United States recognizes that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action.

I ask the Senator if that language in the bill does not recognize the fact that there is a Communist threat of military action.

Mr. GEORGE. Oh, yes.

Mr. O'MAHONEY. Does the Senator from Georgia deny that the Communist threat of military action includes the threat of the use of nuclear weapons?

Mr. GEORGE. I do not know about that.

Mr. O'MAHONEY. Has not the Senator heard reports to that effect?

Mr. GEORGE. The declaration of policy which appears in the pending bill has been contained in all mutual-security bills practically in this form since the beginning. Sometimes it has been rewritten, but all mutual-security acts have carried practically this same declaration.

What I am pointing out is that it does not make very much progress toward the peace of the world to be threatening the world with nuclear weapons. It is not a matter of public policy which the Committee on Foreign Relations should be inserting in the bill. It is a matter for the Committee on Armed Services and for other committees of the Senate.

Mr. O'MAHONEY. Is it not a fact that Congress continues to appropriate the money to build the atom bomb?

Mr. GEORGE. I presume so. That comes within the jurisdiction of other committees.

Mr. O'MAHONEY. We are talking now about the jurisdiction of the Senate.

Mr. GEORGE. I understand that.

Mr. O'MAHONEY. It is the Senate which passes the bill.

Mr. GEORGE. I understand that.

Mr. O'MAHONEY. Of course the Senator understands it. Why, then, should not the Senate, after having just agreed to the conference report on the Defense Department appropriation bill, containing the funds, declare now that we intend to continue to build up our own airpower.

Mr. GEORGE. I would get nowhere arguing with the Senator. I merely say that it is wholly inconsistent with the mutual-aid program, a program which we instituted for the purpose of restoring a war-devastated world, to write this sort of threat in the very body of the preamble, so to speak, as a statement of policy. The Senator has other amend-



ments which undertake to force the President to use certain money for the Air Force or to suffer the withdrawal of an equal amount of money provided by the bill to carry out this purpose. The Foreign Relations Committee has nothing to do with atomic energy, and has nothing to do with building nuclear weapons, and has nothing to do with airplanes as such, or with navies, as such. I hope the Senator will not insist on the amendment.

I could not agree to take the amendment to conference unless it were understood that the other amendments he has submitted are to be withdrawn. If that is to be understood, I will agree to take this amendment to conference, but I will very frankly say that I do not think it has any place in the bill.

Mr. O'MAHONEY. Mr. President, may I ask the Senator a question? Will the Senator yield for a question?

Mr. GEORGE. I yield.

Mr. O'MAHONEY. Do I understand the Senator now to say that he will accept the amendment to the declaration of policy and take it to conference?

Mr. GEORGE. I will, provided the other amendments of the Senator are withdrawn.

Mr. O'MAHONEY. There is only one other amendment which is related to this subject, although I have two other amendments.

Mr. GEORGE. I mean the one that is related to this subject.

Mr. O'MAHONEY. Mr. President, I am a realist. I see what the situation is. It is 20 minutes to 2 o'clock. Many Members of the Senate are at luncheon and many are attending committee meetings. I know there are several committee meetings in progress from which it is not possible to draw Members at this time. I shall, therefore, in order to get this declaration of policy before the conferees, agree, reluctantly and against my better judgment, not to offer the new section 13 which I had intended to propose, to erect a legal bar against the impounding of funds appropriated by Congress only today for the defense of the United States.

Mr. GEORGE. Mr. President, I am willing to take the amendment to conference, with the statement I made for the RECORD.

Mr. JOHNSON of Texas. Mr. President, I yield back the time on the amendment.

Mr. KNOWLAND. Mr. President, I yield back the remainder of our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I offer the amendment, which is at the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois.

The LEGISLATIVE CLERK. On page 38, between lines 18 and 19, it is proposed to insert the following:

(e) Add the following new section: "SEC. 515. Provisions of this act authorizing the appropriation of funds shall be construed to authorize the granting in any ap-

propriation act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations."

Mr. GEORGE. Mr. President, on behalf of the committee, and subject, of course, to further advice by the department heads who have to deal with this problem, I shall be willing to take the amendment to conference.

Mr. ELLENDER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. Does it provide for money not appropriated for contracts?

Mr. DIRKSEN. It merely gives to the Appropriations Committee the authority to use the contract authority within the limits of this bill, if it sees fit to do so.

Mr. JOHNSON of Texas. Mr. President, I yield back our time on the amendment.

Mr. KNOWLAND. Mr. President, I yield back our time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I have one more amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois.

The LEGISLATIVE CLERK. It is proposed, in section 8 (a) which amends section 401, to add the following new paragraph:

(4) In the next to the last sentence of section 401 (a), which imposes a cumulative ceiling on the use of funds without voucher, strike out "\$50 million" and insert "\$55 million."

(5) Add to section 401 the following new subsection:

"(c) There is hereby authorized to be appropriated to the President not to exceed \$5 million, to remain available until expended, to enable the President in his discretion, through programs of information, relief, exchange of persons, education, resettlement, to make grants to private non-profit organizations engaged in keeping alive the will for freedom, and by other material means to encourage the hopes and aspirations of peoples who have been enslaved by communism."

Mr. GEORGE. Mr. President, the committee, so far as I am able to speak for it, is willing to accept this amendment and take it to conference. I think it is a meritorious amendment.

Mr. ELLENDER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. Does it increase the appropriation?

Mr. DIRKSEN. It would increase the authorization of the unvouchered funds.

Mr. President, the amendment has the support of the Secretary of State expressed in a letter addressed to me.

Mr. GEORGE. Mr. President, I have no objection to the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JOHNSON of Texas. Yes, Mr. President.

Mr. KNOWLAND. Mr. President, I yield back our time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. LANGER. I call up my amendment identified as "6-28-56-C."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 14. Notwithstanding the foregoing provisions of this act, such provisions shall not be construed to authorize the appropriation for the fiscal year 1957 of amounts aggregating in excess of \$3,270,075,000.

Mr. LANGER. Mr. President, last evening 27 Senators voted for the Long amendment which provided for a reduction of approximately \$2 billion. I now offer my amendment reducing the amount by \$1 billion.

Because of my temporary disability, Mr. President, I ask unanimous consent that the clerk may read a statement which I have prepared in connection with the amendment.

Mr. KNOWLAND. Mr. President, I have no objection to the reading by the clerk, because of the condition of the Senator's eyes, if it may be understood that it will be within the time limitation.

Mr. LANGER. That is correct.

Mr. JOHNSON of Texas. Mr. President, as I understand, the distinguished Senator from North Dakota has 30 minutes. If the clerk uses the 30 minutes and has not concluded within that time he will discontinue reading, or there will be extra time yielded.

The PRESIDING OFFICER. That is correct.

Is there objection to the unanimous consent request? The Chair hears none, and the clerk will read the statement of the Senator from North Dakota.

There being no objection, the legislative clerk read as follows:

Mr. LANGER. Mr. President, once more, almost as inexorably as death and taxes, the mutual security bill is with us this year for Senate action. Once again, as it has been asked every year since 1948, this body is asked to approve enormous expenditures of the people's money for a program which—I do not care how many times it may be denied—has lost the confidence of the American people. The point has been reached, Mr. President, when even its most fanatical supporters can no longer suppress their misgivings as to the soundness and effectiveness of a foreign policy which is predicated upon a profligacy of the public funds, and little else. I think it is about time we appreciated that this is the people's money we are throwing away—I say "throwing away" advisedly—and that the people are getting fed up with the entire business. As I shall attempt to demonstrate somewhat later in this statement, the people have good reason to be fed up.

I have repeatedly voted against the mutual security bills, and I intend to do so again this time. When the basic legislation, the Mutual Security Act of 1954, came before us, I voted against it in the Foreign Relations Committee, and I filed



a report setting forth the reasons for my dissent. It is not my purpose here to review all the considerations which I detailed in support of my dissenting views. Suffice it to observe that, among other things, I protested against furnishing new M-47 tanks to Yugoslavia's Tito; to a nation which is not particularly devoted to the cause of democracy; to a nation which was—and still is—unreliable and which might someday even direct against us the power we furnished it.

Oh, I know, this was said to be a calculated risk. It is now beginning to be clear that this was a miscalculated risk; and many a people has wound up in chains for errors of this kind. Mr. President, it is about time we stopped conducting foreign relations on the basis of a haphazard arithmetic which hardly passes for statesmanship.

I protested, too, against the pouring out of billions for military equipment for people overseas; and against the tremendous sums spent to maintain American troops and bases abroad, while neglecting our own military bastions in the United States. I protested against the dissipation of our national resources—resources which were once thought inexhaustible, but which, alas, we realize now are by no means unlimited. Like a great many other people who were concerned lest we spend our way into the economic collapse which the Soviet Marxists confidently predict, I worried over the grievous debt load which the United States. I protested against this load which should have been substantially reduced by this time, during the 10 years of postwar prosperity we are now supposed to be enjoying at inflated prices. If that debt load could not be whittled down during these years of high-level income, what shall we anticipate in lean years? Repudiation?

I pointed out in my report 2 years ago that we must no longer be deceived about NATO; that it was time we recognized it was a flat failure, and that, despite a thousand assurances to the contrary from our military leaders, the forces at the disposal of that organization could never offer any real obstacle to a determined push by 175 divisions of Soviet troops backed, as they are today, with atomic weapons. No, Mr. President, there is only one real deterrent to Soviet aggression, and that is the armed might and the economic solvency of the United States; and the fear of Russian leaders that though they might bomb the cities of Europe or of this country into radioactive dust, they would in turn be reduced to rubble by our own air power. Today, NATO's disintegration has become self-evident even to our Secretary of State, who has been proposing methods for reinvigorating it along other than military lines.

Against all this scattergun squandering of tax money, I protested; but above all, I protested against the fundamental principles on which the so-called mutual-security bill is founded. The entire program is based upon a misconception as to how we should proceed in order to safeguard the security of our Nation. Somehow, the policymakers of our coun-

try for the past 8 years have managed to persuade the American people and their Representatives in Congress that the only way to insure the security of the United States is by putting vast sums of money and arms at the disposal of foreign governments, many of whom, when the chips are down, are found in our adversaries' camp on important international issues. It is a curious conception—this notion that our security can be increased directly in proportion to the amount of money we spend abroad. It seems to involve two primary assumptions, both fallacious: First, that by giving away large amounts of money we would make friends of countries in those areas which are in dire need. We are coming to appreciate, to our sorrow, the fallacy of this assumption; high authority recently admitted that we should not expect any more than that these countries remain neutral. We found we could not buy their friendship; now we hope our aid program will at least preserve their neutrality in the latest phase of this coexistence battle of which we have heard so much from Khrushchev and his cohorts.

We should not be surprised at these developments. As it usually happens, generosity to friends results in loss of both money and friends.

The second erroneous assumption in this approach to security is that by furnishing military aid to friendly countries we may thereby build a strong military bulwark of freedom, against overt and subversive aggression. This assumption is still reflected in the current Mutual Security bill, which provides more than 3 times as much military as economic aid, as though nothing had been learned at all in the past 5 years about the nature of the enemy we face, and how that threat should be met. The policy planners are drifting blithely along, ignoring that all the trends in Europe are away from, not toward, increased military security; ignoring that the German people are most reluctant to conscript the divisions we thought we would have for NATO; ignoring that the French have moved all their infantry to North Africa in a "first things first" reaction to national interest; ignoring that even the British are seriously thinking of abolishing conscription; yes, ignoring almost everything of any relevance to the problem before us except the same blind course of spending more and more money on military aid.

Mr. President, in the past 2 years I have seen nothing to make me believe I was wrong in opposing the Mutual Security Act of 1954, or to feel that I should now change my position. No effort whatsoever has been made by the executive branch to reexamine the sterile policy it is following, or to challenge the assumptions we have been asked to swallow. On the contrary, the administration this year has asked for a bigger authorization, for more extended control, with nothing to justify it except the same worn-out slogans that have been tossed at us year after year.

And the program has become almost a disease of the National Government. It has become a habit, from which no

relief is promised. If there was the slightest basis for hoping that the pending request would mark the end of this drain on American wealth, then, even though the program itself be badly planned, there might be some excuse for accepting it. But there is no such hope. I know what will happen and what has happened on this floor. One of my colleagues after another will rise to declaim that this is the last time he will vote for the program—at least, until the subject has been thoroughly reexamined. He will protest against the bill as bad legislation. But he will vote for it. And why? Because we have been sold a bill of goods, an excuse for a policy where there is no real policy. We have been given no choice, except a wrong one.

If ever, Mr. President, there was a program that called for an "agonizing reappraisal," it is the euphemistic monstrosity called the Mutual Security Act. Yet only now, after 8 years of a cavalier largesse with the people's hard-earned money, are we beginning to perceive that there must be something very wrong with what we have suffered to continue way beyond reason. Only now are we convinced that a complete examination must be made of the program.

Last Monday the Senate Foreign Relations Committee approved a resolution which would provide for an objective and impartial investigation of the entire aid program. It is a pity such a resolution was not adopted by the Senate at least 5 years ago. Both our prestige and our people would have been the richer. The worst of it is that there is no proof, other than unverified assertion, that our security would not have been equally as advanced, or retarded, as it is today. In fact, there is disturbing evidence that we are in a weaker position internationally than we were 2 years ago.

I know that the people of my own State have long since had enough of this mutual aid—or, as it is more accurately called, "foreign aid." They have been unconvinced by the battery of arguments thrown at them that there is anything mutual about it. They know it is a one-way street. They know it for what it really is, aid to foreign people, to foreign governments, which is taken out of their pockets. This draining of their resources hits them in two ways, first by depriving them directly of things they could buy for themselves, and second, by contributing to the inflationary process which operates every time vast sums are expended in nonproductive goods. Yet, at the very time when farmers are being driven to the wall, when small-business men are going broke, when a rebellion is brewing throughout the country against the weight of a murderous taxload, the administration has the temerity to ask for more billions. Stupidity in foreign relations is compounded by callous indifference to the welfare of our own people.

Mr. President, I have always believed it to be right for Americans to give assistance to people abroad whenever they are struck by a catastrophe or are in grave distress. The world knows, or



should know, how generous Americans are by nature. But the first obligation of the American Government is to its own citizens. The first duty of the American family is to itself. We are not here to remake the lives or the society of other peoples. In our effort to do so we have alienated friends, kindled resentment, and aroused jealousy of our material possessions. Just what this has cost us in cold cash, just what it has cost each individual American, we shall see in a moment, when we consider the staggering sums that have been spent striving for a supposed worldwide security, a venture which has produced considerable suspicion as to our motives. We should have remembered that extravagance often breeds contempt, among nations as well as individuals. Altruism without ulterior motives is something that most backward areas of the world, with their colonial history, simply do not understand.

On June 16, Mr. President, the Secretary of State delivered an address at Iowa State College, in which he denied that the taxpayers' money has been spent on so foolish an effort as to seek either gratitude or subservience.

After blandly asserting that the foreign-aid program was successful, he said:

Our policies command wide respect abroad, because of their intrinsic merit. But the success of our foreign-aid program is to be tested, not by gratitude, not by subservience, but by whether it makes more vigorous the freedoms elsewhere that buttress the freedom of ourselves. By that test, our program works.

Mr. President, this is a most astonishing statement. Neither by Mr. Dulles' test, nor by any other objective standard, can the foreign-aid program be characterized as a success. In fact, by almost any measuring rod it is an abysmal failure, and at an appalling cost. To say that our policies—any of our policies—have been a howling success in the face of the new Soviet dynamics, is to float in a pharisaical dream world.

Far from capturing any initiative in the cold war—or in its new seductive model of competitive existence—we have been captured by a snare of our own making, victims of a delusion that this thing called foreign aid can be a universal substitute for sound diplomacy and realistic thinking.

I submit, Mr. President, that one of the cardinal objectives of a foreign policy should be to keep old friends, win over new ones, and impress upon other nations—whether they be neutral or allied governments—the conviction that it is to their greatest advantage to conform their own policies to the great objectives of world peace and the independence of all nations, which we pursue. It might be worth while to cast a quick glance at some of the critical areas of the world, just to see how successful American foreign-aid policy has been.

The Middle East is one area that permits of no complacency by anybody. We have all been deeply concerned over the path which Egypt's leaders have been following in the past months. Economic aid programed for Egypt during fiscal

1955 and 1956 was fixed at approximately 100 million dollars. Presumably, one of the prime goals of our policy should have been to prevent Egypt from being drawn into the Soviet orbit. Has our policy been successful? Just read the daily newspapers. In one of the most strategically vital areas of the globe, where the fate of civilization has repeatedly been determined throughout history, our policy—or lack of policy—has been a rank, dismal and tragic failure. We have lost Nasser, despite the foreign aid program; and we lost him because our diplomacy in the Middle East during the past few years is a bewildering illustration of a floundering policy in Washington that has brought us into disrepute all over the world. Diplomacy—not dollar aid—would have salvaged that situation in Egypt, and the records of the Department of State will prove it. We lost Nasser because we refused to sell him arms he could pay for in pounds, and at a time when we knew the alternative before him was to purchase munitions from the Iron Curtain. The path to peace in the Middle East is not through foreign aid; but through a hard diplomacy that knocks recalcitrant heads together in a definitive arbitral settlement of the Arab-Israeli crisis; a diplomacy that sternly warns these lilliputian nations that we simply will not tolerate any more of their sabre-rattling, much less full-scale warfare. But let us keep on drifting, and we are apt to find ourselves confronted with another Mussolini in North Africa.

The crowning irony of this whole wretched episode is that it had to be left to the Soviet Union to arrest the drift toward war in the Middle East, not for any "peace-loving" considerations, but for reasons of its own national and international aspirations. Our government sat on its hands, apparently fearful to move in any direction, fearful to show positive determination, lest it offend either party, hoping that someone else would resolve the crisis, or that it would go away like a bad dream.

We really showed a "recaptured initiative" on that one, did we not? Soviet action alone permitted the limited, temporary success attained by the Hammer-skjold mission. And here we are, still sitting on our hands, though the crisis remains with us; though the Arab-Israeli sore is festering; though the plight of Palestine refugees worsens; and though the Nasser regime has made it clear it will, when ready, smash at Israel with all the Soviet equipment it commands. Does anyone think that because we refrained from "offending" Nasser, his glandular reactions toward us will be more sugary and affectionate? Greece offers additional proof that our foreign aid program is a poor substitute for an intelligent, forthright diplomacy. Despite the millions upon millions we have poured into that country, Greek-American relations have been steadily deteriorating. But the Russians come along when a segment of Greek agriculture is threatened; all they do is buy up a few orange and lemon crops, and immediately grateful praise is tendered to them as the saviours of the Greek

farmer. The same nauseating picture is repeatedly encountered elsewhere.

About the best that can be said of our foreign-aid accomplishments in the Far East is that, although we are still bumbling along, we have not yet been thrown out of that area. But can it honestly be said that our aid policy has promoted brotherly understanding and strengthened the cause of peace? On the contrary, our predominantly military programing, designed to support an unrealistic association of infirm nations, has fanned old irritations and provoked suspicions as to the intentions of the SEATO powers. SEATO is a formula, not a structure; it is mere verbiage, devoid of any substantial vitality apart from the armed power of the United States.

Military aid to Pakistan enrages its Indian neighbor, and vice versa. Economic assistance freely given without strings, and even when on a nonreimbursable basis, is taken for granted with little or no credit acknowledged to the United States; whereas the hard business propositions extended with a wave and a flourish by the Soviet Union are acclaimed by the people as an unselfish contribution, from a nation whose motives are always ulterior.

If there is one nation on the face of the earth that at least should not show consistent hostility to the United States, that nation is India. It was our powerful support that pressured the British into granting India complete political liberty. We have felt a certain responsibility for the continued independence of that country. We have given India almost half a billion dollars in aid. Surely, one would think, this should have been sufficient to deter anti-Americanism among the Indian people. Alas, nowhere else on earth are America's motives more suspect; nowhere else are we more disliked—except in the Soviet Union itself—than in India. Yet, I do not say that nations—particularly those struggling to find their way—should be pressured into joining us as allies. Such tactics would only alienate our friends. What I do say is that these nations, while professing neutrality, should not be openly hostile in word or deed while supping at our table. When has Nehru ever indicated his support for our position, as opposed to the Soviets, on vital international issues? No propaganda against us is too extreme for Indian acceptance, whether it be bacteriological warfare, or racial hatred. Oh, I know, we are told we must not expect the Indians to take our side; our objective must be only to maintain India's independence. This, it is asserted, will be a victory for the free world. I can agree with that proposition, Mr. President; but I submit that there is not a scintilla of evidence to demonstrate that we are unable to achieve the very same result, perhaps even more effectively, by means other than this incredible squandering of public money. If that be our objective, we are not only pursuing wrong methods, but we are paying a fantastic price.

Much the same can be said for our policy in Indonesia. In our supreme



altruism, we literally tore that archipelago from the Netherlands, before the native population was ready for the responsibilities of nationhood. Yet there, too, we not only will not win any popularity contest, but the coloration of Indonesia's political future is altogether obscure.

Mr. President, when I reflect upon the myopic course of our policies in the Far East, I am depressed. We started making mistakes with respect to China and Japan back in 1931, and apparently we have not learned anything from the errors of the past 25 years. Those mistakes embroiled us in a war with Japan. They involved us in a terrible war with Communist China which, as I see it, could have been avoided by a sound policy toward the Chinese Communist government at the beginning, no matter how much we detested it.

Why has not someone had the courage to get up on this floor and admit that we made a ghastly blunder in our China policy after the Communists gained control of the mainland? With 96 Senators in this Chamber, why have not any of us attempted to challenge the course which both Democratic and Republican administrations have clung to as gospel since 1950, so that the barest suggestion that there might have been an alternative is treated as heresy? Why did we not perceive, once China had fallen to the Communists, that we had an opportunity to help shape the future course of that country—even though it be Communist—in ways less detrimental to our security than the course we have pursued?

Why could not we realize, Mr. President, that it was to our national interest to drive a wedge between Stalin and Mao Tze-tung, to win the Chinese leader over to our side, or at least to a neutral position, instead of driving him closer and closer to the Soviet Union by a blind-alley concept of foreign relations? Why could not we have sought to make China less instead of more dependent upon the Soviet Union? When the Communist regime took over, they were starting almost from scratch, industrially. It might have been American equipment, American technicians, American replacement parts on which the government of Mao has to rely. Now it is probably too late to salvage anything from this self-defeating policy. We are stuck with it.

Oh, I know, we do not like Red China. We do not like murderous revolutionaries, gangsters, and criminals. But it was not so long ago, Mr. President, that we felt the same way about the Japanese people, and about the German people. They, too, were barbarians. They conducted a Bataan death march, remember? They raped our nurses; they burned people in gas chambers. Yet today we have clasped them to our bosom as defenders of the free way of life.

It is no tribute to statesmanship to make enemies, or to keep them when it is no longer in the national interest. And it is stupidity to retain a policy when events make clear that the policy injures the national interest. That point, I submit, has been reached with respect to our

foreign aid program, as it has been operated in the Far East and in Europe.

It is anything but reassuring to survey the results of that program in Europe. I have already referred to Yugoslavia. Perhaps the recent realignment of Tito with the Soviet Union—and make no mistake about it, it is a realignment—could have been anticipated in view of Yugoslavia's evolving trade pattern. Last year, the U. S. S. R. was fifth in importance among all Yugoslav markets. A considerable increase in that trade is inevitable as a result of its latest, extensive credit agreements with the Soviet bloc. Foreign aid put Yugoslavia back on its feet—so that it could march side by side with the U. S. S. R. in a more proliferating pan-Russian commonwealth.

One of the principal beneficiaries of the aid program in Europe has been France. Since 1949, the French have received from us over \$3 billion in military assistance and approximately \$3.2 billion in straight economic aid. About \$500 million in military aid from 1950–56 funds is still to be delivered. In addition to all this, Mr. President, we gave them during fiscal 1955 and fiscal 1956 something over \$800 million in military supplies specifically for the conduct of their war in Indochina. This comes to a grand total of over \$7.5 billion for France alone, since 1949. All of this, of course, came out of the pocket of the American taxpayer.

Now, just what did all that financial and military support accomplish? Is the French internal political and economic situation more favorable than it was when the program was started? Has the French economy been placed upon a sounder footing? Or would it not be in a healthier position today if the French people had been forced by circumstances to put their own house in order, as did the Belgians and Dutch, who suffered great devastation?

Mr. President, I was always under the impression that the purpose of granting military aid to France, at least initially, was to strengthen that country as a force for NATO and the defense of Europe. How has France used this strength? It has been spewed out on the battlefields of a colonial war in Indochina which became transmuted into another war with the Chinese Communists. Hundreds of millions of dollars in equipment were abandoned in Vietnam, and are still in the process of being recovered by our military teams.

At the present time, France is using our military aid to retain control over her colonial empire in Algeria—or to suppress an insurrection—depending upon the way one looks at it. And today, France is a weak link in NATO. My personal conviction is that so far as another war in Europe is concerned, we have no business counting on the French military power for any purpose. This is a simple sociological deduction, drawn, among other things, from the awesome bloodletting France sustained in the First World War, and the history of the Second World War.

Mr. President, I have no desire to extend this review of the reasons why I am voting against the foreign-aid pro-

gram. But there are some hard facts upon which we must reflect before deciding to continue a policy as demonstrably ineffectual as this one. The facts are these:

From 1940 to 1955, we furnished a net total of over \$94 billion in aid to other governments. If we include the amounts expended during the current fiscal year, that total becomes more than \$101 billion. Do all of us fully realize what this means to the people of the United States? Taking an average population base of 140 million people during that 15-year period, every man, woman, and child in our country contributed over \$720 to foreign aid. In somewhat different terms, from the pockets of every family of four persons, the Government seized over \$2,880 to provide for the common defense and promote the general welfare of nations all over the globe. Think of it, Mr. President: almost \$3,000 per family. And this was saddled on the American taxpayer in addition to \$12 billion in grants and credits which we furnished to Europe after World War I, when the dollar had far more value.

We who are the elected agents of the people in Congress are the custodians of their wealth. This wealth is a sacred public trust. I dispute bitterly that we are discharging our trust when we invite every nation on earth to drain the people's birthright for this foreign-aid program.

There is so much that needs to be done inside our own country for the welfare of our people—apart from building American military might—which only a small portion of this money could accomplish. One-tenth of the sum thus far expended would have paid enormous dividends in medical research, and directly contributed to the strength of America. Mr. President, there are over 9 million of our people who are receiving treatment for arthritis. Five million of these individuals require financial assistance, if they are to be treated. The incidence of heart disease and cancer is too familiar to require comment here. Does anyone doubt that a fraction of the sum spent on foreign aid would have permitted great strides to be made in conquering these ailments, as we are now eradicating polio?

It was not long ago that we were very complacent about our technological advancement. Suddenly we find that Soviet output of highly skilled engineers far exceeds our own. We are in short supply, while the Soviets have an exportable surplus. We should be investing money in projects designed to overcome our deficiencies in the training of engineers and technical personnel, if we are to meet this Soviet challenge. And we should be spending it on crash programs in aircraft and missiles, as well as atomic development, before the Soviets have achieved a decisive advantage, if they have not already done so.

I see very little in the record to induce me to accept blindly assertions from any quarter, whether it be military or political, about our alleged superiority in atomic or other weapons over the Soviet Union. Last year—according to in-



formation given us when the foreign-aid bill was being considered—we were supposed to possess a vast margin of superiority over the Soviet Union in long-range bombers, and an almost unchallengeable position with respect to medium bombers. Yet where are we, in fact, today?

According to the most reliable figures available, the United States has 1 wing of B-52's—between 35 to 45 planes—that are combat ready, in comparison with some 90 to 100 Soviet bombers in the same class. In the medium bomber category, the Russians are rapidly overhauling us, with 2,000 planes to our 3,000. Our vaunted primacy of B-47's has dwindled to 1,000 airplanes. In the remaining two important categories, we are an also-ran. The Soviet light jet bombers outnumber ours by a margin of 5 to 1; and in the vital combat category of jet fighters, the Soviet planes outnumber ours by a margin of at least 7 to 1, for in this category the Soviets possess from 12,000 to 15,000 planes. On Tuesday, it was reported from the Moscow air show that the Soviets had unveiled a supersonic twin-engine bomber, something we do not yet have.

All of us are aware of these facts. I think we can also assume that the regime which turned out the MIG-15, can also make first-rate bombers. The truth of the matter is that the Soviets have been quietly pushing a crash program in air power, in atomic power, and in naval power, ever since the end of the World War II.

The PRESIDING OFFICER (Mr. PASMORE in the chair). The time yielded to the Senator from North Dakota has expired.

Mr. SALTONSTALL. Mr. President, I yield 1 more minute on the bill to the Senator from North Dakota, so that his speech may be completed.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for an additional minute on the bill.

The legislative clerk read the remainder of Mr. LANGER's speech, as follows:

Mr. LANGER. To what have we been devoting the maximum of our effort? To foreign aid. This foreign aid will, indeed, be great protection for our surface vessels against Russian submarines.

Mr. President, the battle with Soviet communism is being lost in the schools of this Nation; it is being lost in our laboratories; and it is being lost in our aircraft factories. But what is much worse, that battle is being lost on the floor of the Senate. If the foreign-aid program could be said to have created even a small portion of the security it was supposed to provide, I might feel differently about the cost to our people. What is so serious is that we could have developed a much more impregnable position in force—which the Russian leaders understand—with far less drain on our people.

I have no illusions, Mr. President, that anything I may say here will prevent the passage of this bill. Yet my convictions compel me to vote against it. I must vote against it because only if we deprive our policy planners of the means to perpetuate the foreign-aid program

will they perhaps be driven to develop a foreign policy which will be truly in the national interest, a foreign policy which will take the place of the miserable excuse for sound and diplomatic action embodied in the foreign-aid program.

Following the reading of Mr. LANGER's speech,

Mr. LANGER. Mr. President, on the question of agreeing to my amendment to the committee amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is the request for the yeas and nays sufficiently seconded?

The yeas and nays were not ordered.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The Senator from Alabama will state it.

Mr. SPARKMAN. From whose time would the time required for a quorum call be taken?

The PRESIDING OFFICER. The Chair is informed that the Senator from North Dakota has no time which can be used for a quorum call.

Mr. SPARKMAN. Mr. President, I shall take only a little time to discuss the amendment of the Senator from North Dakota to the committee amendment, because I think all the pertinent facts were well presented to the Senate during the debate on yesterday by the very able chairman of the committee, the distinguished senior Senator from Georgia [Mr. GEORGE], and the other members of the Foreign Relations Committee and other Members of the Senate.

The net effect of the amendment submitted by the distinguished Senator from North Dakota would be to cut the amount requested by the administration by \$1,400,000,000. The amendment would cut it \$1 billion below the amount reported by the Senate Committee on Foreign Relations, and would cut it \$400 million below the amount voted by the House of Representatives.

I certainly believe that a majority of the Senate would feel that such a cut as that would be entirely too drastic.

Furthermore, it would be a blanket cut, and I wish to point out that there is no way of knowing where it would apply; although by the very nature of the bill itself, the principal cut would come in the military aid item, because 80 or 85 percent of the program consists of military aid. A great part of that military aid—much greater than has been the case in past acts providing mutual-security funds—goes to Asia, and particularly to Formosa and some of the other countries in that area, which I believe the great majority of the Senate would like to see strengthened. The same thing is true with reference to Korea.

Only a little more than a year ago the Senate virtually handed to the President of the United States the right to use American forces in Korea if necessary to defend that country. The purpose of the heavy aid which we offer to Formosa in the pending bill is to provide for the building up of the strength of that country. I think it is certainly

not stretching the imagination to say that it might mean the difference between the ability of Formosa to defend itself, and our having to use American boys to defend Formosa, which the Senate indicated its willingness to do a little more than a year ago.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LANGER. Is it not true that only a few days ago the Senator from Georgia [Mr. RUSSELL], chairman of the Committee on Armed Services, said that this appropriation could easily stand a \$1 billion cut?

Mr. SPARKMAN. I did not talk with the Senator from Georgia myself, but I saw him quoted in the press. I take it for granted that that is his personal view. The distinguished Senator from Georgia, whom we all admire and respect, was expressing his own personal opinion. He did not sit through the hearings in the Foreign Relations Committee during the weeks we sat there.

Furthermore, the distinguished Senator from North Dakota knows that we invited the Senator from Georgia to appear before the Foreign Relations Committee and state his views. I do not know why he did not appear. Be that as it may, I was pointing out the fact that a great part of this money does go to such places as Formosa and Korea. We are called upon to support those countries. They are maintaining their own defense, but a burden is imposed on their economies which they are unable to carry without the funds provided in this bill.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. SPARKMAN. I yield.

Mr. LANGER. Is it not true that yesterday the Senator from Georgia [Mr. RUSSELL], chairman of the Armed Services Committee, voted for a cut of nearly \$2 billion proposed by the Senators from Louisiana [Mr. ELLENDER and Mr. LONG]?

Mr. SPARKMAN. That is correct; but I am not certain he would have done so had he attended the hearings of the Committee on Foreign Relations and studied the problem at first hand, as our committee did. The majority of the committee decided on the action which should be taken on this bill.

Mr. President, I merely wished to point out those few facts. I am not adding anything to what has been said before. We are confronted with a problem. No one wishes to see the continuation of this program beyond the time when it is absolutely necessary. Every one of us would like to see the appropriation reduced as much as it can be reduced. After hearing the testimony, and after discussing it among ourselves, the decision which the Committee on Foreign Relations reached was that in these perilous times the program could not stand any such cut as has been proposed.

Mr. President, it is not my desire to take any further time of the Senate. Unless some other Senator wishes to speak against the amendment, I am prepared to yield back the remainder of the time.



The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. LANGER] to the committee amendment.

The amendment to the amendment was rejected.

Mr. MANSFIELD. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Montana will be stated.

The CHIEF CLERK. In section 11 (c), on page 52, line 19, in the committee amendment before the word "substitute", it is proposed to insert the following: "strike out 'section 110 of the Mutual Security Appropriation Act, 1955 (Public Law 778, 83d Cong.)' and insert 'section 108 of the Mutual Security Appropriation Act, 1956 (Public Law 208, 84th Cong.)'."

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes.

This is purely a technical amendment to the bill as reported by the committee.

Mr. FLANDERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FLANDERS. I should like to know the date and designation of this amendment.

Mr. MANSFIELD. If the Senator will hear me through, I will explain it.

Mr. FLANDERS. I merely wish to know what we are talking about.

Mr. MANSFIELD. The amendment has not been printed.

This amendment would correct an error in the bill. Section 11 (c) of the bill contains an amendment to section 548 of the Mutual Security Act of 1954 extending for another year the limitation of section 548 on the amount of unobligated and unreserved funds which may be carried forward to the fiscal year 1957. Section 548 now refers to section 110 of the Mutual Security Appropriation Act, 1955—Public Law 778, 83d Congress. This reference is now out of date because section 110 was repealed by and is now superseded by section 108 of the Mutual Security Appropriation Act, 1956—Public Law 208, 84th Congress. Section 548 should therefore be corrected to refer to section 108 of the Mutual Security Appropriation Act, 1956. This amendment will make that correction.

I repeat that this amendment is of a purely technical, perfecting character.

The PRESIDING OFFICER. Is time desired on the other side?

Mr. SALTONSTALL. Mr. President, under the circumstances, after listening to the description of the amendment by the distinguished Senator from Montana, I see no objection to it.

The PRESIDING OFFICER. Does the Senator from Montana desire further time?

Mr. MANSFIELD. I yield back the remaining time on this side.

Mr. SALTONSTALL. I yield back all time on this side.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MANSFIELD] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SPARKMAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama will be stated.

The CHIEF CLERK. In section 9 (b) on page 38, line 4, in the committee amendment it is proposed to strike out the remainder of the sentence after the word "Congress," and insert in lieu thereof the following: "strike out 'Joint Committee on the Economic Report' and insert 'Joint Economic Committee and the Senate Select Committee on Small Business.'"

Mr. SPARKMAN. Mr. President, this is a technical amendment. Only a few days ago the President signed an act changing the name of the Joint Committee on the Economic Report to the Joint Economic Committee. This amendment would merely correct the name of the committee in the bill.

Mr. SALTONSTALL. Mr. President, I can see no possible objection to the amendment. If the Senator from Alabama will yield back his time, I will yield back all my time.

Mr. SPARKMAN. I yield back all my time.

Mr. SALTONSTALL. I yield back all time on this side.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SPARKMAN. Mr. President, I yield 5 minutes to the Senator from Oregon [Mr. NEUBERGER] on the bill.

SENATOR GEORGE SOUNDS TRUMPET CALL TO FREE WORLD

Mr. NEUBERGER. Mr. President, no one could have heard the eloquent address by the senior Senator from Georgia [Mr. GEORGE] on June 27 without being impressed. I am convinced that this great patriot voiced the best interests of our country and of the free world when he urged that we continue the programs which have been so successful in recent years toward helping other nations in their efforts to build a stronger economic future for their peoples, and toward joining many of them in building defenses against the military threats of Soviet and Chinese expansionism. The Nation is, indeed, fortunate that the eminent chairman of the Senate Foreign Relations Committee has undertaken an important new role in the essential task of the further development of the Atlantic Community, which is the core of these defensive arrangements and of the whole free and democratic world.

For the reasons advanced so ably by Senator GEORGE, I intend, without partisanship, to support the Eisenhower administration in its requests for the con-

tinued operation of the mutual security system. Costly as this system is, Mr. President, it is 100 times preferable—nay, 1,000 times preferable—to an armed garrison state or to an ultimate withering, catastrophic war.

However, Mr. President, many residents of my region are disturbed over one inconsistency between the administration's domestic policies and its mutual security program. They do not understand why that program encourages and supports with United States funds the construction of multipurpose hydroelectric power and irrigation projects in foreign lands, while the Eisenhower administration regards the investment of the United States funds in such projects under the same circumstances as inimical to the welfare of our own Nation.

WHY HIGH DAMS FOR FORMOSA, BUT NOT FOR NORTHWEST?

Because of the beneficence of the Almighty, the American Northwest is blessed by the presence of the mightiest source of waterpower on our continent. More than 40 percent of the potential hydroelectricity of the United States lurks within the watershed of the Columbia River. This vast stream carries down to the sea 180,000,000 acre-feet of water. It is as much as the key to the economic future of our as yet undeveloped region as any similar river system abroad.

But, Mr. President, this administration has decided that public investment in dams to tap the water resources of the Columbia Basin for power, navigation, and flood control is adverse to our country's best interests, being even so-called creeping socialism.

I do not understand, Mr. President, how this same administration can promote in Egypt, in Formosa, in Afghanistan, in Rhodesia, a policy which the administration considers unfit and unsound in the United States of America.

Therefore, Mr. President, I intend to put to the administration—and to its supporters and spokesmen in this Chamber—a series of questions concerning its promotion of multipurpose power projects under the mutual security system, elsewhere in the world. I want to offer the spokesmen for the administration's policies this opportunity to explain this evident inconsistency. The replies should prove of immense interest to the residents of my State, who have been denied Federal development of the resources of the Columbia Basin by the policies of the Eisenhower administration.

These are some of the questions which I am voicing with respect to the curious contradiction of an administration which thinks United States investment in high dams for power and irrigation is fine for overseas but bad for the United States.

GOVERNMENT POWER ABROAD BUT NO FEDERAL PROJECTS AT HOME

First. From time to time, tables have been inserted in the CONGRESSIONAL RECORD showing the extent to which United States foreign-aid funds have, over the past 7 or 8 years, gone into the develop-



ment of water resources abroad for reclamation, irrigation, and hydroelectric power; and I suppose it is fair to say that such projects are not only consistent with, but are actually among the best examples of our policy to aid the basic, long-term development of underdeveloped regions. Is it not the case that this policy will be continued, and that substantial sums under the authorization bill before us may be spent on such water-resources projects?

Second. Does the United States Government impose any conditions whatever on the ownership and control of these projects overseas which are financed by American aid funds, or, for example, of the power generated at them? Is it not a fact that in almost every instance major power dams and reclamation projects abroad are built and controlled by the recipient government? Who will receive the power revenues from these projects?

Third. Much overseas investment of United States assistance funds is channeled through the World Bank—an independent organization financed primarily by the United States. A few days ago, the World Bank signed a loan of \$80,000,000 with the Federation of Rhodesia and Nyasaland to build the 500,000-kilowatt Kariba project on the Zambesi River, which will finally cost about \$225,000,000. Similarly, both the United States and World Bank assistance has been offered to Egypt for the Aswan project—the high dam on the Nile River. We have also recently undertaken to aid new water-resource developments on Formosa and, I believe, in Afghanistan. Are we insisting that there be participation by private electric utility companies in these projects, built with United States funds, in Egypt? In Formosa? In Afghanistan? In Rhodesia-Nyasaland?

MUTUAL SECURITY SHOULD NOT RULE OUT SAME POLICY HERE

Fourth. Before Federal investment is undertaken in a proposed project inside of this country, the appropriate Federal agencies make exhaustive studies to establish the benefit-cost ratios and the economic feasibility and desirability of such projects. In the case of United States assistance to similar projects abroad, what United States agency assumes responsibility for determining these data before the investment of United States aid funds?

The Department of State no doubt lacks its own experts in these fields. Is it not the case, then, that in underwriting hydroelectric and similar water development projects abroad, we rely on the recipient government to decide where it thinks government funds need to be invested for the best development of its country's resources?

Fifth. In other words, both in our own foreign assistance policies, as in the present bill, and through the World Bank, we encourage governmental projects abroad, without any protests against socialism, or that the government concerned should really let private companies do the job better. How does this square with the administration's attitude toward development of our own American water resources?

Sixth. The Senate is aware that power facilities in most Federal river projects in the United States fully repay the Federal taxpayers' investment, with interest. How do the administration and its spokesmen explain and justify a policy which refuses necessary Federal investment in resource development in our own country, where it would be fully repaid with interest—while making such investments of United States funds in similar projects abroad, which are not to be repaid to the United States? Why this Jekyll and Hyde procedure?

Seventh. I repeat, I support our policy of assisting underdevelopment nations to build the foundations of a modern economy through development of their own natural resources. But in the light of this policy, can the administration, in all fairness, offer any defense to its criticism, as being socialistic and inconsistent with Americanism, of the investment of Federal funds in underdeveloped regions of our own country? Are high dams for export only?

In conclusion, Mr. President, I would like to express my hope and my concern that the economic assistance we give under this bill will actually benefit the average people of the nations to whom the aid goes—for it is these average people, not their rulers, on whom we must rely for future friends and allies in the world, and on whose future depends the fate of mankind, of which they are the largest part. Some of the recent reports of the actual effects of our aid programs have stressed the difficulties and the problems created in the process of applying large-scale American aid in underdeveloped countries in Asia.

For example, in a recent book entitled "Hunza: Lost Kingdom of the Himalayas," Dr. John Clark, a geologist, calls attention to the fact that much of our economic aid fails to make an impression on local communities—at the level of the village and other small units of population, the support of which is probably essential to the ultimate success of our whole foreign assistance program. An example of the problems thus created is also set forth in an illuminating article entitled "Lesson in Foreign Aid Policy," by Peggy and Pierre Streit, in the New York Times Sunday magazine for March 18, 1956. I ask unanimous consent that this article, slightly abridged, be printed in the RECORD at this point, followed by a book review of Dr. Clark's book by Mr. Orville Prescott from the New York Times of June 11, 1956.

There being no objection, the article and book review were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 18, 1956]

LESSON IN FOREIGN AID POLICY: THE LARGEST AMERICAN-SPONSORED DEVELOPMENT IN ASIA PROMISED MUCH TO AFGHANISTAN, INSTEAD IT HAS BECOME A BURDEN AND A WARNING NOT TO TRY TOO MUCH TOO SOON

(By Peggy and Pierre Streit)

KABUL, AFGHANISTAN.—The Helmand Valley irrigation project, the largest American-financed and constructed development in Asia, was conceived in 1950 as a boon to the people of Afghanistan. Since then, this boon has become a bitter burden that seriously threatens the Afghan economy and

presents the United States with a critical problem in a politically strategic area.

The history of the Helmand Valley project is timely and valuable for two reasons. First, most of its problems are encountered again and again in underdeveloped countries. And, second, the American techniques of foreign aid, employed with dubious success in Afghanistan, are being used elsewhere in the Middle East and Asia.

American foreign aid policies are now undergoing critical reappraisal in Washington. To a large extent the story of this important but little known project can help make future aid programs more effective.

Afghanistan is a landlocked country, bordered on the north by Russia, on the west by Iran and on the east and south by Pakistan. Her geographical position has long isolated her people, both physically and culturally, from the social and technological developments of both East and West.

Recently, however, with the awakening of the Middle East and Asian countries, Afghanistan has begun to seek economic development of her potentially rich land, primarily by harnessing the waters of her turbulent Helmand River. This river has its source in the Hindu Kush Mountains and then winds for 800 miles through southern Afghanistan into Iran.

Before World War II, the Afghan Government hired Japanese technicians to begin work on a large canal designed to tap waters of the Helmand for cultivation. Work, interrupted by the war, was resumed shortly thereafter, this time with the help of the Morrison-Knudson Co., an American construction firm hired by the Afghan Government. By 1949, however, the Afghans had vastly increased the scope of their plans. They now envisioned the Helmand River project as providing a firm water supply, hydroelectric power, flood control, improvement of old river land and development of approximately 500,000 acres of new land. Here the Afghans hoped to settle a large percentage of their two million nomads, whose perennial wanderings represent a severe drain on the Afghan economy, if not a complete loss.

The Government of Afghanistan turned to the United States Export-Import Bank for assistance in this vast undertaking. In requesting a loan, it sought aid only for the construction of major works—the dams and principal canals. The Afghans undertook to do the rest—to bring the water from the main canals to the land, to prepare the new lands for cultivation, and to settle the nomads. In 1950, on the basis of these assurances and the fact that Afghanistan had a tidy dollar reserve accumulated during the war years, the bank granted a loan of \$21.5 million for the development of the Helmand Basin. The loan stipulated that an American constructing company should do the work, and Morrison-Knudson, already on the scene, was hired.

M-K brought to Afghanistan the efficiency of American private enterprise. It acquired its equipment, from nails to 25-ton trucks, from the United States in record time and was able to work steadily without the onerous handicap of having to apply to Congress each year for funds. It utilized the full talents and capabilities of local Afghan labor by establishing a training program, thus substantially reducing costs. Construction costs were held to American standards despite the fact that all equipment had to be shipped 8,000 miles. Two large dams and the irrigation network were completed months ahead of schedule.

Where once there was parched, brown Afghan earth there are now two fresh, blue lakes, and cranes and ducks are nesting where only the desert fox could live. For the first time farmers can rely on a steady supply of water from the Helmand. Last year a drought year, these waters saved a large part



of Afghanistan's fruit crop. And whereas in the past farmers have barely been able to reap one crop, they now almost doubled their produce with two yearly plantings. But as Morrison-Knudson's work progressed, the portent of a major economic and political crisis began to appear. It became sharply and tragically apparent that the persons who granted the loan, like the Afghans who accepted it, had failed to evaluate the country's ability, economically and socially, to handle the problems created by such an extensive undertaking.

It became apparent that the Helmand Valley Authority, the Afghan organization created to take over the operation and maintenance of the irrigation network, to prepare the new lands for cultivation and to settle them, had no trained men to assume these responsibilities. Furthermore, the inadequate Afghan educational system offered little hope of obtaining these men. At the time HVA was to assume operation, it had one trained engineer and one trained agriculturalist, both fresh from foreign schools and with no practical experience. The Afghan Government gradually realized that the operation of hydraulic valves, the determination of proper water distribution, and the maintenance of a tremendous network of canals was a highly complex job and that misuse of equipment and canals could seriously damage or destroy both.

Furthermore, it also became clear that the newly settled nomad farmers had no conception of the proper use of either land or water. Men who for centuries had used the most primitive agricultural methods and had thirsted for water did not understand the importance either of leveling the land or of leaching it of its salt content. Suddenly endowed with an abundance of water, they drowned their land, raising its salt content to the point of ruin. This land can be reclaimed, but the process is expensive and until the Afghan farmer learns how to use his newly acquired treasures, reclamation will be useless.

Some of the newly developed desert lands have also proved of inferior quality and unsuited for cultivation unless very expertly handled. By ill fortune, the very first tracts to be settled and cultivated have been particularly difficult. Though extensive soil surveys ordinarily precede an irrigation project, these surveys had not been considered feasible in the case of the Helmand because of their complicated and time-consuming nature. Thus, nomads, lured from their old life by promises of a new one of ease and plenty, have been settled on lands that offer a hard and meager existence. Some of them have already abandoned the valley to return to their ancient nomadic wanderings.

Despite these ominous developments, the Afghan Government, having used up its first loan, turned to the Export-Import Bank for another to push the project through. In 1954, the bank, primarily to safeguard its initial investment, granted the country a second loan of \$18.5 million. To date, however, there has been no decisive improvement in the Helmand Valley project, and the very magnitude of the unforeseen difficulties has created a major political crisis in Afghanistan.

Under the terms of the loan, Afghanistan has paid all local construction and operation costs as her share of the project expenses. These have amounted to about one-third of the Afghan yearly budget of approximately \$24 million—or what to Afghanistan is the staggering sum of \$8 million a year. Thus, an overwhelming sum has been and is likely to continue to be spent on an undertaking which so far has yielded no revenue and which is not likely to yield any soon.

In consequence, the Helmand Valley project, which was to have been a boon to Afghanistan, has today placed a dangerous strain both on the Afghan economy and on

the nation's morale. Some Western observers in Kabul reason that recent Afghan-Russian trade agreements and the Afghan acceptance of a \$100 million Soviet credit represent a partial attempt to mitigate this plight. If this is so, the United States may have unwittingly and indirectly contributed to driving Afghanistan into Russian arms.

The current state of Afghan fears and disillusionment over the outcome of the Helmand Valley project is indicated by the fact that no word of it is being published in the local newspapers and by the further fact that no key figure in the present Afghan Cabinet has journeyed the 400 miles from the capital to see the project. American observers guess that top Afghan officials are afraid to associate themselves too closely with such a precarious enterprise.

There are persistent rumors that the Cabinet is considering dropping the development as too big to handle. But strong pressures so far have prevented this. The Afghans have invested too much money to permit their withdrawal. And to abandon the settlement project is to lose face with and control of the nomads, an eventuality Kabul dares not risk.

In their distress over the failures of the project, the Afghans, not unnaturally, have laid much of the blame on those most closely associated with it. These are the Export-Import Bank, which the Afghans somehow feel made an injudicious loan, and the Morrison-Knudson Co., which the Afghans rightly or wrongly hold responsible for the development of some of the inferior lands. But to Afghan eyes these two organizations are synonymous with the American Government. This conviction was further strengthened when the International Cooperation Administration, the foreign-aid arm of the United States Government, began work in Afghanistan in 1952.

Hence, whether Afghan logic is valid or not, in the eyes of Afghanistan, as well as the Middle East and Asia, the good name of the United States is now vitally at stake in the Helmand Valley—and at a time when the Soviet Union is entering the foreign-aid field, not only in Afghanistan but throughout Asia.

ICA faces overwhelming problems in Afghanistan, and particularly in the Helmand Valley. It must work with an almost illiterate people, overcome the language barrier, cope with Washington bureaucracy, and meet many bitter and accumulated problems inherited from a project it had no part in creating. Where responsibility rests for the existing confusion and inefficiency is open to question. But the fact clearly remains that the help Afghanistan needs she is not getting, and the Helmand Valley has profited relatively little from ICA's presence there.

Could the United States have been spared the crisis it now faces in Afghanistan? Four agencies have been involved in the Helmand Valley project, yet it does not seem that full responsibility can be attributed to any one of them.

Undoubtedly the Afghan Government overestimated its ability to cope with such a massive project. But having been long isolated from the rest of the world and having no previous experience with large-scale developments, Afghanistan can hardly be blamed for her lack of knowledge.

The Morrison-Knudson Co. did recognize some of the inherent hazards of the undertaking. But M. K., as a private organization, had responsibility only for a construction job and not for its economic and political consequences.

The United States Export-Import Bank, in granting the first loan, dealt with the project primarily as a banking venture. It could not fully examine the consequences of the loan, nor did it feel called upon to assume responsibility for them.

The American Embassy in Afghanistan was extremely small when the initial loan

was made. It had no staff to make extensive appraisals of the project. Furthermore, Afghanistan was then far outside the pale of the primary preoccupations of American foreign policy. At the time of the second loan, the die had been cast—American interests appeared so deeply involved in Afghanistan that there was little choice but to continue with the project.

In short, there was no single agency charged with the responsibility for investigating the long-range consequences of this giant American-financed venture.

What has been learned by 5 years of bitter experience in Afghanistan?

One lesson seems clear: A prerequisite of future extensive economic development projects in Asia and the Middle East is a thorough evaluation of the economic and social tolerance of a given country for a given project. One thing that must be guarded against is doing too much too soon. Furthermore, it seems apparent that overall authority and responsibility for this work and supervising the projects as they progress must be vested in a suitable agency.

It should also be recognized that the techniques of American foreign aid which were effective in Europe, where the foreign-aid program was born, do not necessarily apply in Asia. In Europe trained technicians existed; all they needed was up-to-date technical advice. In Asia these trained technicians seldom exist, and American technical advisers find themselves with no one to advise. Thus, American foreign-aid policies must be revised to permit American technicians to operate projects until the nationals of the assisted country have had sufficient time and training to utilize American advice. This indicates that an economic development project has little practical use in Asia unless it is supplemented with a training program geared to produce the personnel needed to operate it.

The United States must also accept the fact that its prestige will inevitably be at stake wherever any American organization, public or private, engages in development projects in this part of the world.

And, finally, the United States Government and the American people must reconcile themselves to the fact that the much-needed foreign-aid program in underdeveloped countries of Asia and the Middle East is a herculean task, long range in nature, fraught with frustration and criticism, with results that, by American standards, are bound to be agonizingly slow.

Perhaps the most important lesson the Helmand Valley project can teach is that the United States still has much to learn about helping others to help themselves.

[From the New York Times of June 11, 1956]

BOOKS OF THE TIMES

(By Orville Prescott)

Dr. John Clark, "a middle-aged geologist, a specialist on deserts and fossil bones, a bachelor, is a man with the courage of his convictions and an exceptional determination to practice what he preaches. Convinced of the need for the United States to make friends among undeveloped countries of Asia and of the need to help them to improve their shaky economies, Dr. Clark is also convinced that the point 4 program is not the best way to do it.

Six years ago, when no department of the Government would back his offer to demonstrate a better way in the remote Kingdom of Hunza, Dr. Clark formed a small foundation of his own that raised enough money for him to devote 20 months to a 1-man mission helping the Hunza people to help themselves. In Hunza: Lost Kingdom of the Himalayas, Dr. Clark has written an interesting account of his experience. It is also a challenging argument for a new approach to the United States system of foreign aid.



## PIONEERING IN A PRIMITIVE LAND

The Kingdom of Hunza lies in the shadow of the Karakorum Mountains in Pakistan-held Northern Kashmir. A little larger than New Jersey, it is so barren that the population of 25,000 dwells in a series of oases surrounded by desolate mountains. Foreign affairs and defense are controlled by Pakistan, but the King, or Mir, is an absolute monarch. The Hunzas are a pre-Bronze Age people, who have never learned to fashion metals or pottery. They speak 11 languages, belong to the Ismailian Moslem sect, and earn an average annual income of \$20 a family. Their scanty pasture land is deteriorating, their water supply is decreasing, and the population is growing rapidly. There is little wood in Hunza and no other source of heat. Unable to raise enough food, the Hunzas endure a period of semistarvation every spring.

When Dr. Clark settled down in the capital city of Baltit the Mir allowed him to live in a 600-year-old castle. There Dr. Clark ran a medical dispensary and treated from 25 to 60 persons a day. He established a craft school in woodworking. He distributed vegetable seeds and he made a geological survey of Hunza. An expert on first aid and a student of anatomy, Dr. Clark treated a variety of diseases and suffered from many himself—malaria, beri-beri, mild heart attacks, and dysentery.

Many of the Hunzas are intelligent and anxious to learn. But all of them are steeped in Asiatic fatalism, in a passive and submissive attitude toward life. They were so accustomed to being cold all winter that they didn't try to keep themselves warm.

"Sahib," a peasant said, "the river is cutting away my field, and I wish you'd come and look at it."

"Look," I told him, "you see that gravel bar across the river? You and your neighbors start on the downstream side and carry away boulders until you've cut a channel right across the bar. Then the water will flow in the channel and will stop cutting here."

"That's fine!" he said happily. "Please ask the Mir Sahib to order us to do it and we will."

"Would the Mir be angry if you did this on your own initiative?"

"Oh, not at all. It is merely our custom never to do anything unless the Mir orders us."

Dr. Clark considers his influence on the nine boys who lived with him and studied carpentry the most important result he accomplished in Hunza. A trade was useful. Far more important was learning to think for themselves, acquiring self-confidence and self-respect, becoming dissatisfied with their immemorial misery and anxious to take positive steps to improve matters.

## BASIS FOR BETTERMENT SET FORTH

These new attitudes could come, Dr. Clark says, only after the boys had absorbed five others that are the basis of western progress and are alien to traditional Asiatic ways—objectivity, dissatisfaction, creative confidence, individuality, and responsibility.

Although Dr. Clark was the object of suspicion, malicious rumors, and official obstruction, he is positive that his approach was the right one.

"If you want to make friends with any people, you cannot do it by working through their government or their political parties," he insists. He adds:

"Let us stop at once the ruinous system of large, direct gifts from the American Government to Asian governments. Such gifts are expensive to us and always breed avarice and resentment on the part of the recipients. \* \* \* All projects should be on a scale the local community can absorb, but conducted on a wide geographic basis. No \$20 million steel mills, but rather \$20,000 projects in a thousand villages. \* \* \* Any major industrial project which is economically unsound

should receive no capital, because United States financing of noble but unsound projects leads to Asian inefficiency and bankruptcy, and to mutual ill-will. We cannot buy friends, and we should not stoop to attempt it."

Mr. SPARKMAN. Mr. President, I ask unanimous consent that a quorum call may be had without the time being charged on the bill.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Without objection, it is so ordered; and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I call up my amendment which is designated "6-27-56-I."

The PRESIDING OFFICER. Does the Senator desire to have the amendment read, or to have it printed in the RECORD without being read?

Mr. KNOWLAND. I ask that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment offered by Mr. KNOWLAND is as follows:

On page 55, after line 16, insert the following new section:

## "COMMISSION ON FOREIGN AID PROGRAMS"

"SEC. 14. (a) It is the purpose of this section to insure the soundness and maximum effectiveness of any foreign-aid program in which the United States may hereafter be engaged by providing, on the basis of a detailed study and evaluation of the policies and operations of our present and past foreign-aid programs, a means for—

"(1) clarifying the objectives of any foreign-aid program of the United States, and the considerations which should govern the selection of methods and policies to attain those objectives;

"(2) determining specific organizational standards, procedures, and practices to promote improved administration of any such program at the operational level; and

"(3) developing a policy on foreign aid which will most effectively secure the implementation of such objectives while maintaining maximum economy and efficiency in all parts of the program at all levels of operation.

"(b) To carry out the purpose set forth in subsection (a), there is hereby established a commission to be known as the Commission on Foreign Aid Programs (referred to hereinafter as the "Commission"). Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, section 190 of the Revised Statutes (5 U. S. C. 99), or section 512 of the Mutual Security Act of 1954, as amended (22 U. S. C. 1764); nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 6 of the act of May 22, 1920, as amended (5 U. S. C. 715), section 212 of the act of June 30, 1932, as amended (5 U. S. C. 59a), or any other Federal law limiting the reemployment of re-

tired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

"(c) The Commission shall be composed of 12 members as follows:

"(1) Four appointed by the President of the United States, 2 from the executive branch of the Government and 2 from private life;

"(2) Four appointed by the President of the Senate, 2 from the Senate and 2 from private life; and

"(3) Four appointed by the Speaker of the House of Representatives, 2 from the House of Representatives and 2 from private life.

Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. The Chairman of the Commission shall be designated by the President. The Commission shall elect a Vice Chairman from among its members. Seven members of the Commission shall constitute a quorum.

"(d) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission. Members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission. Members of the Commission appointed from private life shall each receive \$75 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"(e) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended. The Commission may procure, without regard to the civil-service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810; 5 U. S. C. 55a), but at rates not to exceed \$75 per diem for individuals.

"(f) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

"(g) The Commission shall conduct a comprehensive study and investigation of the operation of the present and past foreign-aid programs of the United States, in order to provide complete information concerning—

"(1) The proper objectives of foreign-aid programs and the criteria which can be used to measure accomplishment.

"(2) The capability of the United States to extend aid, in terms of the Nation's economic, technical, personnel, and other resources.

"(3) The need and willingness of foreign countries to receive aid, and their capacity to make effective use thereof.

"(4) The various kinds of foreign aid and alternatives thereto as well as the methods by which the conditions on which aid might be furnished.

"(5) The related actions which should be taken to make foreign aid effective in achieving national objectives.

The Commission shall transmit to the President and to the Congress not later than



February 15, 1957, the results of the study herein authorized together with such recommendations as it may consider to be desirable.

"(h) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable. Subpoenas may be issued under the signature of the Chairman of the Commission, of such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U. S. C. 192-194) shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

"(i) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman."

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President, with respect to the question of a study of the mutual-aid program, I believe there has been general unanimity of opinion that a study should be made. There is an honest difference of opinion as to how the study may best be conducted.

The executive branch of the Government, in a measure introduced in the other House, had proposed that congressional authorization be provided for a study to be made by an executive commission. This was not agreed to by either the House or the Senate. The reasons, I think, were several. One was the belief that the executive branch of the Government could set up a purely executive commission without the necessity of congressional authorization for it. Secondly, there was the feeling that Congress itself had a responsibility in this regard.

So far as a congressional survey is concerned, there are, of course, several steps or alternative procedures which might be taken, and there have been suggestions in both the Senate and the House as to how it might best be accomplished.

One approach is a study by the Foreign Relations Committee, or under its direction. This is the approach contained in the resolution offered by the distinguished Senator from Montana [Mr. MANSFIELD] which has been reported to the Senate by the Foreign Relations Committee.

Another approach has been the suggestion that there be created a joint committee consisting of Members of the Senate and the House of Representatives. I believe that a resolution providing for

such a joint committee has been introduced by the distinguished Senator from Pennsylvania [Mr. MARTIN].

There have been other suggestions in the House. Of course, we have no jurisdiction over action by the House.

In my opinion, there is merit in all these approaches, and there are also disadvantages in all of them. Certainly the mutual-aid program is a matter which concerns the Congress of the United States as well as the Executive. For that reason, I did not believe the problem would be properly solved by merely having an executive agency conduct such a survey and such an investigation.

It seems to me that having the survey made only by members of the Foreign Relations Committee, as provided in the Mansfield resolution, does not meet the situation, because the problem is broader, it seems to me, than the jurisdiction of the Foreign Relations Committee alone, though I serve as a member of that committee. The Armed Services Committee has an interest. The Appropriations Committee, of course, has a vital interest. And over and above that, the entire Senate of the United States has a vital interest in this program. Of course, under our system, the House of Representatives, being co-equal with the Senate in the legislative arm of government, has an equal interest in the matter.

That presents this question: Are we to have widespread duplication of effort? Will we have a House committee, a Senate committee, and maybe a subcommittee of the Foreign Relations Committee, one from the Appropriations Committee, and possibly a third one from the Armed Service Committee, all conducting surveys, all calling Government witnesses, all having to visit some of the areas where the mutual aid program is being carried on? Perhaps they could not cover all the bases, each would be looking at a little different set of facts; and finally, we would have 3 or 4 different reports from the representatives of the Senate, or the congressional committees, and a different set of facts presented by the executive branch of the Government.

Congress cannot write the ticket alone, because, as we know and as has been reiterated during the course of the debate, it is fundamental that under the Constitution the President, through his authorized representatives, conducts the Nation's foreign policy. But, obviously, likewise Congress is not prepared to surrender its prerogatives and responsibilities in this field, because, under the Constitution, Congress is a coequal branch of the Government and not a subordinate branch, and it has a vital responsibility in the control of the public pursestrings and the support of our armed services, all of which fit into this situation.

The Senate has a particular and peculiar responsibility in advising and consenting in connection with treaties and foreign policy generally.

The administration did not originally support the concept which I have presented in my amendment, which is really the concept of the Hoover Commission,

if we may so term it. I should like to read the amendment. It is, in part, as follows:

SEC. 14. (a) It is the purpose of this section to insure the soundness and maximum effectiveness of any foreign-aid program in which the United States may hereafter be engaged by providing, on the basis of a detailed study and evaluation of the policies and operations of our present and past foreign-aid programs, a means for—

(1) clarifying the objectives of any foreign-aid program of the United States, and the considerations which should govern the selection of methods and policies to attain those objectives;

(2) determining specific organizational standards, procedures, and practices to promote improved administration of any such program at the operational level; and

(3) developing a policy on foreign aid which will most effectively secure the implementation of such objectives while maintaining maximum economy and efficiency in all parts of the program at all levels of operation.

(b) To carry out the purpose set forth in subsection (a), there is hereby established a commission to be known as the Commission on Foreign Aid Programs (referred to hereinafter as the "Commission"). Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, section 190 of the Revised Statutes (5 U. S. C. 99), or section 512 of the Mutual Security Act of 1954, as amended (22 U. S. C. 1764); nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 6 of the act of May 22, 1920, as amended (5 U. S. C. 715), section 212 of the act of June 30, 1932, as amended (5 U. S. C. 59a), or any other Federal law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

(c) The Commission shall be composed of 12 members as follows:

(1) Four appointed by the President of the United States, 2 from the executive branch of the Government and 2 from private life;

(2) Four appointed by the President of the Senate, 2 from the Senate and 2 from private life; and

(3) Four appointed by the Speaker of the House of Representatives, 2 from the House of Representatives, and 2 from private life.

It provides that any vacancy which may occur shall be filled in the same manner in which the original appointment was made.

Mr. President, under date of June 27, 1956, the Secretary of State addressed the following letter to the chairman of the Foreign Relations Committee [Mr. GEORGE]:

This is in reply to your letter of June 14, 1956, in which you requested the views of the Department of State on S. 4035, introduced by Senator KNOWLAND, and your letters of June 15, in which you requested our views on Senate Concurrent Resolution 82, introduced by Senator MARTIN, and Senate Resolution 285 introduced by Senator MANSFIELD.

Senator KNOWLAND's bill would authorize the establishment by the President and the Congress of a Commission on Foreign Aid Programs. Senator MARTIN's proposed concurrent resolution would establish a joint congressional committee to be known as the



Joint Committee on Foreign Aid. Senator MANSFIELD's proposed Senate resolution directs the Foreign Relations Committee to arrange for studies of foreign aid.

You have addressed similar requests for comment to the Secretary of Defense and the Director of the International Cooperation Administration. They have asked me to express their views with mine in this single reply.

As you know, the executive branch is thoroughly in accord with the general objectives of each of the proposals. For some time we have advocated that a careful study be made of the mutual security program and of the best means of carrying it forward in the future. We have recommended the establishment of a nonpartisan committee of distinguished private citizens to make such a study and to report to the President and the Congress.

It is our view that of the various resolutions on which you have asked our comment, the proposal made by Senator KNOWLAND would most effectively, efficiently and economically serve the public interest.

This proposal would provide for the establishment of a 12-member commission. Four members would be appointed by the President, four by the President of the Senate, and four by the Speaker of the House of Representatives. Of each group of four, two would be Members of the body involved, and two would be distinguished citizens in private life. This proposal would, therefore, seem to combine the essential features of the suggestions by Senator MARTIN in Senate Concurrent Resolution 82, and by Senator MANSFIELD, in Senate Resolution 285, that the study be carried out by Members of the Congress and the proposal of the President that a public commission be appointed from private life.

A Commission composed of persons chosen in this way would provide the broadest possible base for studying these important programs and the means by which they may be made most effective. Such a single group would, we believe, be inherently better able to carry out a coordinated study than would separate groups, designated by one or both Houses of the Congress and by the executive branch.

I am authorized by the President to say that he is in accord with the proposal for a Commission of this character and that if it is authorized the executive branch will participate in it actively.

Mr. THYE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. THYE. I commend the distinguished minority leader for having offered his amendment. I wish to associate myself as being in strong support or as being a cosponsor of it. I think the Senator is approaching the question in a most realistic manner. This approach will insure a nonpartisan attitude. Furthermore, it will assure not only legislative but also administrative and outside interests taking part in the study.

The report of such a Commission would certainly allay any fear on the part of the general public that foreign aid was a waste of the taxpayers' dollars, as is so often feared at present.

After such a Commission as is proposed by the amendment had a study and submitted its report, I believe it would secure for Congress in the next session not only strong support from the general public but an excellent understanding of what we were confronted with.

Again, I commend the Senator for offering the amendment. I think it is a wise course to pursue.

Mr. KNOWLAND. I thank the Senator from Minnesota.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. BUTLER. Mr. President, it is most encouraging to note that my distinguished colleague, the Senator from California [Mr. KNOWLAND], has proposed an amendment to H. R. 11356 which would create a top-level bipartisan Commission to reexamine and re-evaluate our policies with respect to continued military and economic assistance, for it had been my intention to offer a similar amendment calling for the establishment of a Commission on Foreign Aid Programs.

I shall most certainly support the Senator's amendment, for I feel very strongly that an independent Commission, wholly free of all insinuation and suggestion of political bias, would be an eminently effective and forceful instrument to study and recommend our future course in the foreign-aid field.

A reappraisal of our current policies so that we may proceed intelligently is urgently needed. It is long overdue. Rapidly changing world conditions certainly warrant a comprehensive review. Even at this moment, some of our friends abroad are beguiled by sweet nothings from Moscow, and the tendency in Europe is to relax in the dream world of peaceful coexistence. These are but fleeting delusions.

In the Middle East, for example, saber rattling continues. Egyptian Premier Nasser and others act and talk aggressively. Munitions and implements of war from Iron Curtain countries contribute to the jingoism of the Arab States. We may find it necessary and quite compatible with our efforts for peaceful solution of Middle East tensions to counterbalance the shipment of arms to Egypt by supplying Israel with the weapons this nation has requested from our arsenal. Certainly no country, especially a friendly one, can be left to the mercy of Communist aggressive intentions. In addition, the recent realignment of relations between Soviet Russia and Yugoslavia has raised many questions which must be answered and created many doubts which must be resolved.

Until we determine our future policies on foreign military and economic assistance, I sincerely believe that in the light of possible consequences we should support the President. Those consequences encompass the probability of a reduction of military forces of our allies stationed in West Germany and other strategic spots. Even in the atomic age, the bastions of freedom require manpower. A drastic curtailment in foreign military assistance would provide an excuse for a reduction. This means that a much greater burden for defending these strategic positions would fall upon the United States. It would involve an expansion of our own military forces requiring the drafting and induc-

tion into the service of more of our own boys.

I, for one, would rather vote money sufficient for our allies to maintain their share of defending the free world against possible Communist attack than to pass that burden to our own soldiers, sailors, marines, and airmen. Let us not give our allies an excuse to pull back in these dangerous times.

These remarks, though brief, summarize my thinking on this very important matter—a matter which strikes at the essence of freedom for peace-loving men and women everywhere.

Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD, three of my newsletters of recent date which deal with this matter.

There being no objection, the newsletters were ordered to be printed in the RECORD, as follows:

#### ON THE HORNS OF A DILEMMA

(A weekly newsletter by Senator JOHN MARSHALL BUTLER)

WASHINGTON, April 2, 1956.—Soon the Congress will again consider the matter of foreign aid. As now presented, the program involves requests for appropriations totalling about \$4.7 billion and authority to engage in long-term commitments estimated at \$100 million. The scope and size of this new proposal has many in a quandry, and approval is uncertain.

This dilemma stems from several factors. First, \$4.7 billion would exceed last year's appropriations by some \$2 billion. Second, unexpended foreign aid funds from previous appropriations total nearly \$4.5 billion. Third, although the original mutual aid program—the Marshall plan—was intended to last 4 years, various dangers are ascribed to any long-term policy.

In the past 15 years, the United States has assisted other countries, through grants and loans, to the sum of \$92 billion. Slightly more than half of this amount has been made available since World War II. Military assistance, technical cooperation, offshore procurement, development assistance, defense support, counterpart funds, direct forces support—these are the channels through which foreign aid is dispensed. Also, American dollars are provided through the international agencies—the International Monetary Fund; the International Labor Organization; the Organization of American States; various divisions of the United Nations; the Intergovernmental Committee for European Migration, to mention a few.

That these programs have been helpful, in varying degree, there can be little doubt. There is much agreement on this point. However, this same spirit of agreement does not exist on the idea of long-term commitments. Conceivably, in connection with vast projects such as the Aswan Dam in Egypt and development of the Mekong River in the Far East, obligations of an extended nature must be undertaken. But to eliminate the annual Congressional audit, and thus the traditional control of any part of mutual assistance funds would, it is generally believed, give a permanent set to our bountiful habits.

As a solution to this dilemma, it seems to me that an independent, bipartisan commission should be established, on a continuing basis, for the purpose of studying and evaluating the need, character, and extent of foreign aid in the light of changing domestic and world conditions. Inevitably, there must come a time when our offerings to other nations must be drastically reduced.



## A PROPER COURSE OF ACTION

(A weekly newsletter by Senator JOHN MARSHALL BUTLER)

WASHINGTON, May 7, 1956.—In my newsletter of April 2, 1956, I suggested that "an independent bipartisan commission should be established on a continuing basis to evaluate the need, character and extent of foreign aid in the light of changing domestic and world conditions." The idea is by no means new, and in recent weeks, others, including Senator George, Chairman of the Senate Committee on Foreign Relations, Secretary of State Dulles, and President Eisenhower have voiced the need for a reappraisal of our aid programs.

When the Marshall plan was first conceived in 1947, Senator Arthur Vandenberg of Michigan proposed that a bipartisan advisory council of our ablest and most experienced citizenship be appointed to determine the extent to which the United States could safely and wisely engage in aid to foreign nations. He said further, " \* \* \* I recognize that intelligent American self-interest immediately requires a second, overall inventory of our own resources to determine the latitudes within which we may consider these foreign needs. This comes first because if America ever sags, the world's hopes sag with her."

Accordingly, President Truman, in June of 1947, appointed not 1, but 3 committees, including a nonpartisan Advisory Council, to undertake this critical assignment of domestic and global impact. Out of these considerations came the framework of the Marshall plan (ECA) which was later approved by Congress.

With the approach of the expiration of ECA in 1952, Senator Vandenberg made a similar recommendation in these words, " \* \* \* I think it would be well for another such commission, equally unpartisan and equally impeccable in character, to resume independent, advisory studies of our new responsibilities as the world's largest creditor nation and the world's spearhead in the quest of dependable peace. \* \* \*"

That suggestion, in all of its wisdom and import is, in my judgment, as pertinent today as it was in 1952—especially in the light of ever-changing world conditions. Past successes and failures in the apportionment and disbursement of foreign aid must be evaluated in terms of changing Soviet tactics and the shifting world situation. Certainly, there is much historical evidence to demonstrate that independent commissions have very usefully served as a crucible for the blending, in proper measure, of reason, soundness and judgment with emotion, responsibility and objectivity while vaporizing the unreasonable, the unsound and the impractical.

## THE HOUNDS AND THE HARE

(A weekly newsletter by Senator JOHN MARSHALL BUTLER)

WASHINGTON, June 18, 1956.—Ancient history records the tale of Mithridates IV, King of Pontus and Bithynia (about 63 B. C.), who concocted a confection, composed of 72 ingredients, which he claimed gave him special immunity. Now, it would seem that Marshal Tito of Yugoslavia, has hit upon a similar formula though the ingredients are considerably different and more in numbers. The principal ingredient would seem to be a curious blending of American dollars with the Communist teachings of Karl Marx.

Just 1 year ago, the minstrels of the Kremlin, who wander with a purpose, journeyed to Yugoslavia. By way of a return engagement, only recently, Marshal Tito, with much pomp and ceremony, made a pilgrimage to Moscow. Simultaneously, on both occasions, this Government was being importuned to send more economic and more foreign assistance to Yugoslavia.

It is interesting to note that, since the end of World War II, the community of free nations has furnished Yugoslavia nearly \$2.5 billion in aid. Of this amount, the United States supplied an estimated \$2 billion. In the sense that Tito has added more ingredients to his Mithridates, he has also obtained financial help from Communist bloc nations totaling about \$464 million equivalent.

Singly, and together, these events are fully consistent with the duplicity which has sparked the spread of world communism. The plan of operation never changes. Such a double and deceitful game was once described as "to hold with the hare and run with the hounds"—or to run with the hounds as if to catch the hare, all the while being the secret friend of the hare. Those among us who have any doubts as to Marshal Tito's real motives might ponder the meaning of this old adage.

These two meetings have served to strengthened the Belgrade-Moscow axis—there can be little mistake about this. These two partners have again demonstrated a solidness of mutual interests—interests which fit the pattern of the international Communist conspiracy—interests which are contrary to those of the free world. Support of this point of view can certainly be found in the coming gathering of Tito of Yugoslavia, Nehru of India, and Nasser of Egypt, all of which has been carefully cultivated in advance by the foreign minister of Soviet Russia.

The need for a reappraisal of our policy with all of these countries is now more pressing than ever.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. How much time have I remaining?

The PRESIDING OFFICER. The Senator from California has 14 minutes remaining.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. First, I may say to the Senator from California, the minority leader, that I am heartily in favor of his amendment and expect to vote for it.

I call the attention of the Senator to page 5, line 13, of the amendment. I refer to the third subject which the Commission is asked to study. I read as follows:

(g) The Commission shall conduct a comprehensive study and investigation of the operation of the present and past foreign aid programs of the United States, in order to provide complete information concerning—

(3) The need and willingness of foreign countries to receive aid, and their capacity to make effective use thereof.

My suggestion is that the word "need" be stricken out, so that the paragraph would read:

The willingness of foreign countries to receive aid, and their capacity to make effective use thereof.

If a commission is to be asked, in a period of 4 or 5 months, to study the need of foreign countries to receive aid, it seems to me we shall be running into two problems. First, some countries may say they need a lot of military assistance; others may say they need a lot of economic assistance. The Commis-

sion would not have the opportunity or the ability to study and consider all those needs.

Second, it seems to me we might run into the question of, I will not say insulting a foreign country on what their needs were, if the Commission intended to be very frank, but it might be disquieting or undiplomatic, with all the embarrassment that goes with such action.

It seems to me the objective could be accomplished by ascertaining, first, what countries were willing to receive aid, and then to have the Commission determine the capacity of those countries to use the aid.

Mr. KNOWLAND. Frankly, the word "need" was included in the amendment for a purpose. I have sat on the Committee on Appropriations with the distinguished Senator from Louisiana, [Mr. ELLENDER] and have discussed with him, both privately and publicly, certain aspects of the mutual-aid program. He has had—and I thought with some justification—objections to certain phases of the program on the ground that many countries have rehabilitated themselves economically and no longer need aid, although they might be willing to accept it.

Under the circumstances, it seems to me that we almost are obliged to include the question of need, because I think it is pertinent for us to know if a foreign country is economically rehabilitated, if it can take care of its own problems, whether it be in the collective security system or elsewhere. If it is able to take care of itself, I do not think the United States should assume all the burden, for instance, of that country's defense efforts. I feel certain the Senator from Massachusetts likewise, does not believe we should.

So while I understand the Senator's point, I should be somewhat reluctant to remove the word "need," because to do so would seem to establish a legislative history that the aid to be given would be based on the willingness to receive it; and my observation is that most foreign countries are willing to receive aid.

Mr. SALTONSTALL. I understand the Senator's point. I think there should be some qualifying phrase, possibly as to the extent to which the Commission should go into the details, or the thoroughness with which they should consider the matter.

I should think the words "overall need" might be used. That would make it a general conclusion, without the commission's having to determine whether a country needed a steel plant, or without having to determine the feasibility of building a dam, or without having to determine any questions of that nature which might arise.

Mr. KNOWLAND. It seems to me that the overall authority of the Commission would be sufficient to meet that problem. Obviously, the Commission could not make the physical examination; but they would have facts and figures presented to them, and could take judicial notice, so to speak, of certain requirements. They could then determine whether a country was on its feet and was able to



carry its own burden. For instance, I should think the question of a country's national debt as compared with our own should be considered, and also whether the country was collecting taxes from its people in the way in which the United States collects taxes from its citizens.

There are many factors the Commission could consider without going into the last detail, which obviously no commission could do in the limited time provided, because if any commission is to be of value, it should report in time for the next Congress to take some action. The amendment provides that the report shall be made early in the next session—by February 15th of next year.

Mr. SALTONSTALL. Would the Senator be willing to add, after the word "need", language which might read "the need, in the time available to the commission," or something of that character?

Possibly this discussion will help, but what I had in mind was language which would enable a commission to satisfy itself that it could make a report by February 15. I agree with the Senator that a report would be of no value unless it were made soon; but, at the same time, I had in mind that the members of the commission should not be under the impression that they could not determine the question because they did not have time. I am merely suggesting language such as, "the need so far as the commission can determine in the time available."

Mr. KNOWLAND. I shall be glad to consider the suggestion, if the Senator will work out an amendment. I do not know that they would precisely do it. I see what the point of the Senator is. I am willing to hold a further discussion with him.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. LANGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LANGER. Who is in control of the time on the other side?

Mr. KNOWLAND. If I may answer the inquiry, the Senator in control of time on the other side is the distinguished Senator from Arkansas [Mr. FULBRIGHT].

Mr. LANGER. Mr. President, I am unalterably opposed to the amendment—

Mr. KNOWLAND. The Senator from North Dakota will have time to speak in opposition. I ask the Senator not to speak on my time. The opposition, I am sure, will give him time to speak.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. BUTLER. Is it implicit in the language of the amendment, on page 5, line 22, that the Commission will cease to exist after it makes its report on or before February 15, 1957?

Mr. KNOWLAND. Yes; I think the Commission would cease, unless Congress itself took action to continue it.

Mr. BUTLER. Does the Senator consider that to be desirable? Would it not

be better to have the Commission remain in existence for some further time?

Mr. KNOWLAND. I would not want to see a permanent commission established. I believe it will work, but if Congress should find it does not work suitably, the Congress would have a chance to continue or enlarge the Commission or change the formula. I think what we want to do is get the basic information which we need before any other proposed legislation is presented to the Congress.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. SCHOEPPPEL. I shall support the amendment of the Senator from California. I think it is a most practical approach to the problem, and that it will provide answers to the questions of many Senators who want to be helpful and do everything possible for the defense of the country, but who have misgivings as to the way in which aid should be continued. I think this is a step in the right direction. I certainly hope the Senate will adopt the amendment.

Mr. FULBRIGHT. Mr. President, I yield 15 minutes to the Senator from Montana.

Mr. MANSFIELD. Mr. President, a year ago tomorrow a very fateful event occurred. On that day, in the last 5 hours of the last day of the last fiscal year, the Defense Establishment reserved \$674 million. In the period from June 28 to June 30, it reserved over \$1 billion.

In the Kingdom of Laos at the present time, under this aid program, our Government is paying up to \$800 a year in family allowances to the families of the soldiers of the Laotian Army.

I think it is about time that the Senate undertook the assumption of its responsibility, without regard to the executive department, and looked into this program to find out just where the waste and mismanagement are.

After all, we are being asked for a huge sum of money once again. Are we going to shirk our responsibility and vote for a Hoover-type commission which will give the executive the opportunity to do with it what it sees fit? Does the Senate want a whitewash of the investigation of the foreign aid administration, or does the Senate want to get up on its hind legs and take unto itself the responsibility which is ours under the Constitution of the United States?

Mr. President, the amendment proposed by the Senator from California would set up a Hoover-type commission to study the foreign aid program—and, believe me, the foreign aid program needs a thorough-going study.

The Commission proposed would include 4 presidential nominees, 4 Senate nominees and 4 House nominees. Put in another way, of the total membership of 12, 8 would be appointed by the President and the Vice President, and 4 would be appointed by the Speaker of the House of Representatives. The President would name the chairman.

I must oppose this amendment, Mr. President, because it flies in the face of action by the Committee on Foreign

Affairs of the House and by the Committee on Foreign Relations of the Senate, both of which considered similar proposals and rejected them. But more important, this amendment if adopted would constitute a fundamental surrender of the congressional investigative power to the executive.

I am unalterably opposed to turning a study of the foreign aid program to the executive, to any executive-dominated group, or to any joint executive-public-congressional group. I have no confidence that recommendations from such groups would be objective or effective. We have had experience in the past. In those instances in which Hoover-type commissions have made recommendations with which the executive has agreed, the executive acts. In those cases in which the executive has not agreed with recommendations, it has done nothing.

I recall a few years ago when Mr. Stassen took over the FOA. With great fanfare he appointed a commission of objective businessmen—the Francis Committee I believe it was called. That group went over the FOA from top to bottom. It submitted recommendations that the FOA should be in the Department of State, that aid should be in the form of loans, and numerous other recommendations. But was anything done? No, not a single thing was done to carry out the recommendations of this group of objective businessmen, who were, by and large, Republican, so far as their politics were concerned.

This year the House Foreign Affairs Committee rejected an executive branch proposal that it investigate itself. The Committee on Foreign Relations likewise rejected that proposal for self-analysis.

The executive has pulled all the stops in support of a great study of foreign aid. Just now we have had read to us, by the distinguished minority leader [Mr. KNOWLAND] a letter from the Secretary of State, John Foster Dulles, saying he would approve of a combined executive-congressional type of investigation.

But what kind of study is wanted?

First, the executive wanted a study of the executive, by the executive and for the executive. But now that the bureaucracy has found that Congress will not give the President authority to do what he already can do—that is, inspect his own administrators—we are presented with a proposal for a Hoover-type commission, with two-thirds of the membership to be selected by the President and the Vice President.

What kind of an arrangement is this? I will have no part of it, and I do not think this Congress will have any part of it.

We have had experience in the past, and have seen recommendations of dependent groups conformed to the desires of the bureaucracy. We have seen past recommendations of independent groups ignored. We have seen our own proposals embodied in legislation shuttled off to the side and ignored.

Any proposal for a study that would be guided by the tender hands of the people who have been engaged for years in the foreign-aid program would only result in a beautiful whitewash.



We have no alternative, Mr. President. There is now pending before the Committee on Rules and Administration a resolution which embodies the original proposal of the distinguished chairman of the Committee on Foreign Relations [Mr. GEORGE]. That resolution, Senate Resolution 285, calls upon the Committee on Foreign Relations to undertake exhaustive studies of the extent to which "foreign assistance by the United States Government serves, can be made to serve, or does not serve the national interest, to the end that such studies and recommendations based thereon may be available to the Senate in considering foreign-aid policies for the future."

That resolution is based upon a proposal which the distinguished chairman of the Committee on Foreign Relations first put forth in early April, and which he made available to the press on April 18, 1956.

By way of brief background; the RECORD should show that shortly after the senior Senator from Georgia first offered his suggestion, the Secretary of State and the President endorsed the idea in general terms. In specific terms, however, the executive branch began talking of a Presidential commission, instead of a Senate committee, to undertake the broad review suggested.

The original proposal embodied in Senate Resolution 285 made it clear that the Committee on Foreign Relations, acting for the Senate, was to undertake the study, making use of such independent, outside sources of information as it might find necessary. That proposal is clear on the fundamental point that the results of the study and the recommendations to be submitted to the Senate must be those of the Committee on Foreign Relations. It cannot delegate its responsibility to the Senate to anyone—any more than the Senate can delegate its responsibility for the examination of this program to the President or to a Hoover-type commission.

On the same day that the committee favorably reported the Mutual Security Act to the Senate, it favorably reported Senate Resolution 285, authorizing the George study. The committee took that action with only one dissenting vote, because it deeply felt the need for a careful, objective, nonpartisan examination of the program.

Despite that action of the Committee on Foreign Relations—followed some 2 days later by the action of the House committee in undertaking a similar, but independent, study—it now appears that there is afoot a coordinated move on the part of the bureaucracy to prevent the adoption of this resolution, and to substitute therefor a study which will be under executive branch control. As a matter of fact, all we need to do is adopt the Knowland amendment; and if it turns out that the House does not like this approach, the whole idea of an independent examination of the foreign aid can be scuttled in conference.

Mr. KNOWLAND. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. KNOWLAND. Of course, the last statement the Senator from Montana has made simply is, I submit respectfully to the Senator from Montana, not in keeping with the facts, because there is ample power, under the rules of the Senate, under the La Follette-Monroney Act, for the Appropriations Committee, with its investigative powers, or for the Committee on Foreign Relations, or for the Committee on Armed Services; and certainly there could be no scuttling of any investigation which the Congress might order, regardless of whether this amendment should be accepted or rejected or whether the resolution referred to by the Senator from Montana should be adopted or rejected.

But even though I serve as a member of the Foreign Relations Committee, I submit in connection with this matter, which is of concern to other Senators besides the 13 members of the Foreign Relations Committee, that the Appropriations Committee has as vital an interest, and I think perhaps the Armed Services Committee has as vital an interest, as does the Foreign Relations Committee. We could have 3 or 4 or 5 examinations going at the same time, plus an examination by the House of Representatives, plus an examination by the executive branch, and thus could obtain entirely different sets of facts, because each group would be looking at different segments of the picture, whereas in this case we shall get a coordinated picture.

Mr. MANSFIELD. What the Senator from California has said is true with respect to the Armed Services Committee and the Appropriations Committee. However, I certainly hope that the distinguished Senator from California, for whom I have the greatest respect and admiration, will not turn his back on the committee of which he is a distinguished member, and on which he has rendered outstanding service. I would expect him to be fighting in behalf of the resolution reported by that committee with only one dissenting vote, instead of pointing out the obvious fact that the Appropriations Committee and the Armed Services Committee, and perhaps other committees, can undertake investigations of their own.

I am requesting something that is fundamental, not only so far as a particular committee is concerned, but insofar as the Senate of the United States is concerned; and I, for one, do not intend to abdicate the responsibility I have as a Member of this body.

Mr. President, when the Committee on Rules and Administration met yesterday to consider Senate Resolution 285, it was impossible to obtain a quorum, because Members from across the aisle were absent. Incidentally, Mr. President, in the committee there were sufficient votes in favor of reporting favorably Senate Resolution 285; but in the interest of bipartisanship and senatorial responsibility, the committee took no action at that time.

If the administration had shown as much initiative in responding to the new Soviet strategy as it has shown in reacting to the proposed independent study of

the foreign aid, there would be no need for the Senate to take on this job.

In view of the early friendly reaction of the administration to the George proposal, I have been surprised by the recent activities of the bureaucracy. I have been reminded of the restaurant with the sign in the window stating that the kitchen is open for inspection. But when someone tries to inspect the kitchen, he finds all the doors locked. That always makes me suspicious.

When the committee reported Senate Resolution 285, it considered various alternatives.

It rejected the idea of a joint Senate-House committee, because this fall Members of the House will be occupied with the elections, and because of the problems in getting such a committee underway in an expeditious manner. Furthermore, the other House is free to conduct its own study, as it did in the case of the Herter committee, prior to the Marshall plan, and as it is doing now, on the basis of its own initiative, vis-a-vis the foreign-aid program.

The Committee on Foreign Relations also rejected the idea of a Hoover-type commission because that would involve a big staff and would take a long time in organization. It is doubtful if such a study could be underway, much less completed, by next February. I may add that it is my personal view that the reports of the last Hoover Commission did not elicit widespread support simply because the Commission was packed by too many men whose personal predilections got in the way of the objectivity needed if such a group is to be of influence. If there is anything the foreign-aid program needs it is an objective analysis.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. MANSFIELD. Mr. President, will the Senator from Arkansas yield 5 additional minutes to me?

Mr. FULBRIGHT. Mr. President, I yield 5 additional minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 5 additional minutes.

Mr. MANSFIELD. Although serious consideration was given to expanding the proposed committee to include members from other Senate committees, as has been done in some past instances, it was felt that this particular job was primarily one for the Committee on Foreign Relations. Furthermore it was the clear intent of the Legislative Reorganization Act to limit the number of special committees that might be created and to give the standing committees authority broad enough to enable them to carry on studies of this kind.

Finally, Mr. President, underlying the decision of the committee was full awareness that it is a constitutional function of the Congress to exercise a constant control over the Executive. Unless we discharge that responsibility efficiently and fully, we are not doing our job.

The chairman of the Committee on Foreign Relations remarked yesterday



that "the questions of our citizens about the foreign aid program must be well and fully answered before this body is again asked to authorize the appropriation of funds for mutual security." It is the purpose of Senate Resolution 285 to help our citizens answer their many questions about foreign aid. I do not think the American people will accept answers from the very bureaucracy which has administered foreign aid, or from appointees of that bureaucracy.

Mr. President, while I have indicated my concern at the backstage maneuvers that have been going on in connection with the proposed study, I want to state emphatically that I think it would be a most serious mistake if this study were launched in a partisan atmosphere.

If the amendment now before us is defeated and the resolution reported favorably by the Committee on Foreign Relations is adopted after Rules Committee action, I know that the study will be conducted in a nonpartisan manner. I would for my part, for example, urge that the committee take no decisions without broad bipartisan support. I would urge it not to make public the results of any studies until after the election. The subject matter of this amendment and of the proposed resolution is too important for the security of this Nation to be viewed in a partisan light.

Although the distinguished chairman of the Committee on Foreign Relations will not be with us when the final recommendations are submitted, I know that for the next critical 6 months he will be in full and active charge of the study proposed by Senate Resolution 285. There is no finer leadership under which to start this long-needed evaluation of the mutual-security programs. No one need fear that the senior Senator from Georgia would lend himself to a partisan approach to the problem or that he would be other than scrupulously fair in getting this much needed job underway. As chairman of this committee the great Senator from Georgia will add to the many brilliant accomplishments which have already marked his outstanding senatorial career.

I hope we will not shirk our constitutional responsibilities to the American people and that this amendment will be rejected so that we can in due course undertake a proper Senate investigation of foreign aid, and thereby assume our full and complete responsibility.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. I am delighted to yield.

Mr. FULBRIGHT. With regard to the point which the able minority leader made, that there is a broad interest in this bill, does the Senator think that there is any broader interest in this bill than there is in the defense appropriation bill, or in the development of our natural resources?

Mr. MANSFIELD. Not at all. The Senator from Arkansas is correct.

Mr. FULBRIGHT. There is always that broad interest. However, the traditions of the Senate call for the delegation of specific inquiries to specific committees.

Mr. MANSFIELD. The Senator is correct; and in this instance the specific committee which has legislative authority is the Committee on Foreign Relations.

Mr. FULBRIGHT. If something is to be done about the problem next year, that is the committee to do it. It would not be a special committee.

Mr. MANSFIELD. The Senator is stating the fact.

Mr. FULBRIGHT. If a special Hoover-type commission were created, it could not actually put anything into effect. It could only recommend.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. FULBRIGHT. I yield another minute to the Senator from Montana.

Mr. MANSFIELD. The Senator is again correct. I believe that any investigation committee which involved outside members would be more or less directed by the Executive, and that very likely in the end the result would be a whitewash. Mr. President, the American people will not be satisfied with a whitewash investigation of the foreign-aid program.

Mr. FULBRIGHT. I will not be, either. I should like to associate myself with the Senator's remarks.

Mr. MONRONEY. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. I yield to my colleague from Oklahoma.

Mr. MONRONEY. I completely endorse the remarks of my distinguished colleague from Montana [Mr. MANSFIELD], who is a member of the Committee on Foreign Relations. The Senate has no higher duty, under our legislative system, than to deal with the policies and subjects with which a standing committee of that jurisdiction is properly charged.

The Senate also has the highest possible duty to the Nation, as the prime mover, the prime originator of investigations of the conduct of our foreign policy. To turn that duty over to an executive department which has shown little interest in learning how the program is being administered, how much waste is occurring in the program, or what completely opposite directions our foreign aid program is taking, when we are faced with a new type of cold war, is not sufficient.

I believe that the situation indicates the wisdom of the plea of the distinguished Senator from Montana for legislative surveillance in this field. To do less would be to abdicate the duty of the Foreign Relations Committee. As one who has consistently supported foreign aid, from the time I was a member of the Herter committee, I am disappointed to find the foreign-aid program so musclebound, and so encumbered with retreaded ideas that it cannot possibly meet the new cold war problem which now is facing us.

The only alternative to misdirection of aid or overemphasis on military aid is to vote for deep and heavy cuts to try to bring about in some way an agonizing reappraisal of the policies which, to those of us who have followed the foreign-aid program, appear to be obsolete

and useless. Many of the strongest supporters of foreign aid in the past feel this same way.

Uncle Sam is acting like a man who does not count his change. We act like a football team, coached to defend against a ground attack, for which we might have been prepared during the days of the mailed-fist policy of the Communists. But now that the Communists have resorted to a change in tactics in their desire for world domination. They are now using a forward passing and an aerial attack but the coach does not change the defense of the football team to meet this new threat.

It seems to me that to try to offer munitions around the world, to the tune of \$3,400,000,00 as proposed in this bill, or \$4 billion, as recommended by the State Department is as obsolete and old-fashioned in today's cold war as trying to sell buggy whips in Detroit.

People are interested in ideas and ideals. All the State Department offers, under its present policy, is dollars and more dollars. It seems to me that a study by the Foreign Relations Committee, which has a firm understanding of the background, and is desirous of giving us a modern, aggressive, effective foreign aid policy and foreign aid program, would be far better than an investigation by a few executives from big business, who would be brought here to take the advice of the foreign aid administrators and conclude that everything is fine and dandy, and that, although we are losing the cold war on every front, we should do more and more of what has been done during past years.

Mr. President, I intend to support, to the limit of my ability, the reappraisal contemplated by the resolution to which reference has been made.

Mr. MANSFIELD. Mr. President, I thank the Senator from Oklahoma. I certainly agree with him, a coauthor of the Monroney-La Follette Reorganization Act, in putting his finger on the fact that the responsibility lies with the Committee on Foreign Relations, acting as the agent of the Senate as a whole.

Mr. FULBRIGHT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. FULBRIGHT. Mr. President, I yield 1 minute to the Senator from North Dakota.

Mr. LANGER. I should like to ask a question of the Senator from Montana. Is it not true that the minds of the Executive and his assistants are already made up? In fact, they came before the Committee on Foreign Relations and asked for a 10-year extension on some features of foreign aid. If it had not been for the stamina and statesmanship of the Senator from Georgia [Mr. GEORGE] they might have succeeded in that respect. Is that correct?

Mr. MANSFIELD. Yes. I may say to my good friend from North Dakota the question is why all of a sudden there should be this intense interest in looking into the foreign-aid program, which is being developed by the executive de-



partment at this late date. Why is it only after the idea was originally advanced by the distinguished Senator from Georgia, the chairman of the Committee on Foreign Relations? The big question is, Why?

Mr. LANGER. Did not the executive want a 10-year extension, only a short time ago?

Mr. MANSFIELD. Yes; indeed.

Mr. LANGER. And if it had not been for the Senator from Georgia, they would have succeeded in getting it. Is that correct?

Mr. MANSFIELD. I know of some individuals who have suggested a program as long as 75 years. I will give the Senator the names, if he wishes me to do so.

Mr. FULBRIGHT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. FULBRIGHT. Mr. President, I wish to associate myself with the views expressed by the Senator from Montana [Mr. MANSFIELD]. I do not wish to obstruct any other agency in making its own investigation. However, I do not believe that such an investigation should be in substitution for an investigation to be made by the Committee on Foreign Relations. The committee should make its own study. Personally I would not be satisfied with the recommendations of an outside committee on a matter of this kind.

The Foreign Relations Committee has the special responsibility in this field. Granted that every Member of the Senate has an interest in it, just as he does in all major legislation; but under our traditions and under our rules, the primary responsibility is in the Committee on Foreign Relations. It is up to the committee to make an intelligent judgment of the need and it is that committee's responsibility to make the study.

Personally I have been very doubtful, and I am still very critical, of some of the purposes to which this money will be devoted. One of the things which has reconciled me in voting to report the bill and in my intention to vote for it on the floor of the Senate is the resolution of the Senator from Montana [Mr. MANSFIELD]. I have said to myself, "I can go along for one more year if we are sure to have an investigation and a careful study and a full reevaluation of the purposes." If, after that study is made, the same purposes are apparent in the bill which comes before the Senate next year, I will conclude that I was wrong in my criticism of the bill.

I still believe that the bill is too heavily weighted for the military and too little devoted, relatively, to the economic development of underdeveloped countries. I believe in that sense it will be a waste of money. I believe we are paying too much attention to the military aspect in countries like Turkey, for example. Some very restrictive and regressive and reactionary developments have taken place in Turkey. Yesterday Turkey took a further step toward muzzling freedom of speech and muzzling the opposition in its young democratic parliament. I consider that a very backward step. That is an example, in my view,

of an unbalanced policy in that field. I very strongly hope that the Senate will not sidetrack the resolution supported by the committee.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I am greatly disturbed by the turn that this discussion has taken this afternoon. I was present in committee when the Senator from Georgia [Mr. GEORGE], the Chairman of the Committee on Foreign Relations, made the original suggestion that a thorough study be made of this whole subject. We all agreed that there was need for such a study. I did not then know that there would be an issue created as to how the study was to be organized or who should conduct it.

I had the privilege to attend a conference in the White House, which was also attended by the Senator from Georgia, and other Senators. At that time I understood there was no difference between the executive branch of the Government and the legislative branch in connection with the effort which was to be made to study our aid program.

Mr. President, it is most unfortunate that we should have reached this turn in the matter, and that the implication should be raised that the Executive would not make an honest study or investigation of the subject. I must protest any such insinuation.

Mr. President, I believe the Foreign Relations Committee has a perfect right to set up its own investigation. I also believe that the executive department has a perfect right to set up its own investigation. I had hoped that we could have some kind of arrangement which would provide for cooperation between them.

The whole idea was that we should try to get together and determine who could best make the investigation, whether it be the Brookings Institution, or some other outstanding group interested in foreign affairs. That is the spirit in which I understood the investigation would be made. I regret exceedingly that we have reached the point where a vote on the question will look like a political difference of opinion. I cannot very well vote against my party. However, I thought we had arranged the matter in the committee in such form as would recognize both the executive and the legislative branch of the Government.

To say that the Senate cannot trust the President of the United States to have a part in the investigation is certainly objectionable, and I cannot go along with any such suggestion. Therefore I shall be compelled to vote for the amendment offered by the Senator from California [Mr. KNOWLAND]. I shall do so because I must protest the suggestion that the President should be bypassed, or that we cannot trust his participation in such a study, and that therefore we should make an investigation independent of the Executive.

I believe the legislative and executive branches should be working together. We should not be getting into a row, so to speak, as to whether we will appoint

a commission in which the Executive will participate, or whether an independent investigation should be made, where we would ignore the executive branch and, in effect, imply that the President would not make an honest investigation, or that anything done by the executive branch would be a whitewash. I am distressed by the whole thing.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. SPARKMAN. Is it not correct to say that the idea behind the resolution adopted by the Committee on Foreign Relations was that the committee would conduct this study, and that we fully expected the executive to conduct a separate but parallel study, as was done when the Marshall plan, for instance, was put into effect? There we had a congressional study made by the Herter Committee of the House of Representatives, and the executive had its own, separate study made. The two were made to mesh, one with the other. It seemed to me that was done very well. I thought that was the reasoning behind the adoption of our resolution. I am sure the Senator from New Jersey will agree with me.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. SMITH of New Jersey. I believe that is true, but it appears to me the implications are now that we are adopting the resolution in order to keep the Executive out of the picture entirely. That is something I cannot go along with. Therefore I am compelled to vote for the Knowland amendment, because that issue has been forced on us in the presentation of the Senator from Montana [Mr. MANSFIELD].

Will the Senator from California yield me 1 minute?

Mr. KNOWLAND. I am unable to do so. I have only 2 minutes remaining. Mr. President, I started by remarks by pointing out that there was certainly room for an honest difference of opinion as to how we should proceed to make a proper investigation. I have the highest confidence in the Senate. When I have found it necessary to be critical of the Executive, whether a Democrat or a Republican, I have never hesitated to discharge my responsibility as a Senator.

I have been shocked and surprised at the assertion that the Executive could not be depended upon to make a proper investigation, but I do not think the Executive should make the investigation alone. I believe that Congress has a coequal responsibility in that regard. It could happen that there would be 5 or 6 or 7 congressional reports, followed by a report from the Executive, and thus we would wind up without any constructive accomplishment in the long run.

We should all be interested in this matter. No man knows whether the next administration will be a Republican administration, which I hope it will be, or an administration dominated by the other party, which Members on the other side of the aisle hope it will be. We have a common responsibility as Americans, and I think the approach should be to have the Congress and the



executive working together. There will be a bipartisan control. The procedure as to appointments to committees which have been followed heretofore I am sure would be followed in this instance, on recommendation of the majority leader and the minority leader, and I think the House would follow the same general procedure.

I would hope that under those circumstances the Commission could make a report which would be impressive both to the executive and to the legislative arm of the Government. For that reason, Mr. President, I ask that the amendment be adopted.

Mr. SALTONSTALL. Mr. President, will the Senator from California yield 1 minute on the bill, so that I may add a few words?

Mr. KNOWLAND. Mr. President, I yield 1 minute on the bill to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I should like to add, at the end of subsection (g) (3), in line 15 on page 5 of the amendment, the following: "by such inquiries and reports as it can obtain in the time permitted before its report is to be submitted."

Mr. KNOWLAND. Mr. President, I accept that amendment and I modify my amendment accordingly.

The PRESIDING OFFICER. The amendment of the Senator from California is so modified.

The question is on agreeing to the amendment offered by the Senator from California as modified.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND], as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from West Virginia [Mr. LAIRD], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Texas [Mr. DANIEL] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Texas would vote "nay" and the Senator from Kansas would vote "yea."

The Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Iowa [Mr. MARTIN]. If present and voting, the Senator from Washington would vote "nay" and the Senator from Iowa would vote "yea."

The Senator from West Virginia [Mr. NEELY] is paired with the Senator from

Indiana [Mr. JENNER]. If present and voting, the Senator from West Virginia would vote "nay" and the Senator from Indiana would vote "yea."

The Senator from Georgia [Mr. RUSSELL] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Georgia would vote "nay" and the Senator from Wisconsin would vote "yea."

I further announce that if present and voting, the Senator from West Virginia would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Kansas [Mr. CARLSON], the Senator from Iowa [Mr. MARTIN] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

I wish to announce the following pairs:

The Senator from Kansas [Mr. CARLSON] is paired with the Senator from Texas [Mr. DANIEL]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Texas would vote "nay."

The Senator from Indiana [Mr. JENNER] is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from West Virginia would vote "nay."

The Senator from Iowa [Mr. MARTIN] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Iowa would vote "yea" and the Senator from Washington would vote "nay."

The Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from Wisconsin would vote "yea" and the Senator from Georgia would vote "nay."

The result was announced—yeas 41, nays 45, as follows:

#### YEAS—41

Aiken	Dirksen	Mundt
Allott	Duff	Payne
Barrett	Dworshak	Potter
Beall	Flanders	Purtell
Bender	Goldwater	Saltonstall
Bennett	Hickenlooper	Schoeppe
Bricker	Hruska	Smith, Maine
Bridges	Ives	Smith, N. J.
Bush	Knowland	Thye
Butler	Kuchel	Watkins
Case, N. J.	Malone	Welker
Case, S. Dak.	Martin, Pa.	Williams
Cotton	McCarthy	Young
Curtis	Millikin	

#### NAYS—45

Anderson	Hill	McClellan
Bible	Holland	McNamara
Byrd	Humphrey	Monroney
Chavez	Minn.	Morse
Clements	Humphreys	Murray
Douglas	Ky.	Neuberger
Eastland	Jackson	O'Mahoney
Ellender	Johnson, Tex.	Pastore
Ervin	Johnston, S. C.	Robertson
Frear	Kefauver	Scott
Fulbright	Kennedy	Smathers
George	Kerr	Sparkman
Gore	Langer	Stennis
Green	Lehman	Symington
Hayden	Long	Wofford
Henning	Mansfield	

#### NOT VOTING—10

Capehart	Laird	Russell
Carlson	Magnuson	Wiley
Daniel	Martin, Iowa	
Jenner	Neely	

So Mr. KNOWLAND's amendment to the committee amendment was rejected.

Mr. McCARTHY. Mr. President, I submit an amendment which I ask to have lie on the table. I shall call it up later.

The PRESIDING OFFICER. The amendment will be received and will lie on the table.

Mr. DOUGLAS. Mr. President, I call up my amendment designated "6-27-56—C."

The PRESIDING OFFICER. Does the Senator from Illinois desire that his amendment be read in full, or that it be printed in the RECORD?

Mr. DOUGLAS. I ask that it be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be printed in the RECORD.

The amendment proposed by Mr. DOUGLAS (for himself, Mr. DUFF, and Mr. LEHMAN) to the committee amendment is as follows:

At the end of the bill insert a new section as follows:

"Sec. —. (a) It is the declared policy of the Congress to resist the spread of communism. The issue between the free and the slave world is essentially whether freedom shall survive. The struggle to preserve freedom, however, is not to be won solely by further resistance to enslavement, but also by keeping alive in the hearts of enslaved people the spirit and hope of freedom. It is the purpose of this section to advance the cause of freedom by providing aid and support to those groups which are actively engaged in maintaining, inspiring, and instilling that spirit and hope.

"(b) (1) There is hereby created an agency under the name 'Freedom Administration' (hereinafter referred to as the 'Administration'), which shall be under the general direction and supervision of the President and shall not be affiliated with or be a part of any other agency or department of the Federal Government. The principal office of the Administration shall be located in the District of Columbia, but the Administration may establish offices in such other places as may be determined by the Administrator of the Administration.

"(2) The management of the Administration shall be vested in an Administrator (hereinafter referred to as the 'Administrator') who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate. The Administrator shall receive compensation at the rate of \$17,500 per annum. There shall also be appointed to the Administration, by the President, by and with the advice and consent of the Senate, 8 Deputy Administrators who shall each be paid at the rate of \$15,000 per annum. The deputy administrators shall be outstanding citizens of the United States, 1 of whom shall be of German descent, 1 of Polish descent, 1 of Lithuanian descent, 1 of Latvian descent, 1 of Estonian descent, 1 of Czech descent, 1 of Ukrainian descent, and 1 of such descent as to represent the remaining Slavic peoples in the Communist world.

"(c) The Administration shall have power to adopt, alter, and use a seal which shall be judicially noticed. The Administrator is authorized, subject to the civil-service laws and the Classification Act of 1949, to select, employ, appoint, and fix the compensation of such officers and employees as are necessary



to carry out the provisions of this section. The Administration, with the consent of any department or agency of the Government, may avail itself on a reimbursable basis of the services, facilities, and personnel of any such department or agency.

"(d) For the purpose of carrying out its functions under this section, the Administration—

"(1) may sue and be sued;

"(2) may adopt, amend, and repeal rules and regulations governing the manner in which its business may be conducted and its powers exercised;

"(3) may make and carry out such contracts and other arrangements as are necessary or advisable in carrying out its functions;

"(4) may determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid subject to the provisions of the Government Corporation Control Act, as amended; and

"(5) take such other action as may be necessary to carry out the purposes of this section.

"(e) (1) The Administrator is authorized to make grants to any private or semiprivate nonprofit organization, committee, or group which is actively engaged in broadcasting, publishing, correspondence, or other activities designed to keep alive the spirit and hope of freedom, and the will to resist enslavement, in persons residing in Communist or Communist-dominated countries.

"(2) In making any grant under this section the Administrator shall advise and consult with the Director of Central Intelligence, and no such grant shall be made except with the concurrence of a majority of the deputy administrators of the Administration.

"(f) (1) There shall be established in the Treasury Department a special fund which shall be available without fiscal-year limitation for financing the operation and expenses of the Administration. There is hereby authorized to be appropriated to such fund for each fiscal year, beginning with the fiscal year 1957, the sum of \$20 million.

"(2) Notwithstanding section 1415 of the supplemental Appropriation Act, 1953, or any other provision of law, foreign currencies or credits owed to or owned by the United States shall, with the approval of the President, be made available to the Administration for the purpose of making any grant authorized by this section.

"(g) The Administrator shall submit to the President for transmission to the Congress at the beginning of each regular session an annual report of its operations under this section.

"(h) Section 101 of the Government Corporation Control Act, as amended (31 U. S. C. 846), is amended by inserting after 'St. Lawrence Seaway Development Corporation;' the words 'Freedom Administration.'"

Mr. DOUGLAS. Mr. President, on behalf of the junior Senator from Pennsylvania [Mr. DUFF], the junior Senator from New York [Mr. LEHMAN], the junior Senator from Minnesota [Mr. HUMPHREY], and myself, I offer this amendment establishing a Freedom Administration.

We propose that \$20 million, an amount equal to about one-half of 1 percent of the foreign aid funds, be added to this appropriation authorization for the purpose of keeping freedom alive in the now-subjugated countries and peoples behind the Iron Curtain. In particular, I refer to countries held captive by Russia; namely, Lithuania, Latvia, Estonia, Poland, Czechoslovakia, Albania, Bulgaria, Hungary, and Rumania. In addition, Mr. President, I am

proposing that the Congress recommend—and authorize where necessary—the use of certain counterpart funds, and also funds credited to the United States by foreign countries under section 550 of the Mutual Security Act of 1951 and section 402 of the Mutual Security Act of 1954, for the same purpose.

These funds, Mr. President, would be used to create and establish an independent agency of the Government, directly under the President, to be called a Freedom Administration. This Freedom Administration would allocate the funds provided to approved national freedom committees for the following purposes, among others:

First. To maintain and expand broadcasting activities to the enslaved peoples of Iron Curtain countries.

Second. To expand existing programs of correspondence to subjugated peoples for the purpose of keeping alive the spirit of freedom and resistance.

Third. To aid other programs by national groups, such as the printing and distribution of pamphlets and information, to keep freedom and hope alive in the enslaved nations.

Fourth. To finance programs to encourage and aid those who, at the risk of life itself, flee or have fled to the free world from the Communist world, and to offset the Communist drive to get these refugees to return to their original countries.

Fifth. To give monetary support to resistance groups which aim at eventual independence of now-satellite nations.

I think I should make it clear that it is not the intention of the amendment to incite armed revolt at an inopportune time behind the Iron Curtain, but to keep alive the spirit of resistance and stimulate effective slow-downs, which would have the effect of weakening the economic control of those countries. Of course, if we can help armed uprisings, we should not shrink from it.

Sixth. To publicize the names of those former democratic leaders of the Iron Curtain countries who still remain in jail or work camps, so that the world may know their fate and their struggle.

Seventh. To assist in promoting and maintaining other programs which aim at the eventual freedom of enslaved peoples. And I may say in this respect, that by providing adequate assistance to an agency and a staff of competent people, many other effective methods and ways may be found to further this cause.

Now, Mr. President, let me be more specific; first, about the Freedom Administration which I am proposing, and, second, about how it can be financed.

My amendment would create a Freedom Administration, an independent agency with an administrator who is an American citizen and directly responsible to the President of the United States.

In addition, my amendment provides for 8 assistant administrators, 1 of whom would be an outstanding German-American, 1 a Polish-American, 1 a Lithuanian-American, 1 a Latvian-American, 1 an Estonian-American, 1 a Czech-American, 1 of Ukrainian descent, and 1 American chosen to represent the Slavic

peoples and other enslaved ethnic groups now behind the Iron Curtain.

The Administrator would be paid \$17,500 per year and each Assistant Administrator, \$15,000, or a total of \$137,500.

The Administration, with the approval of any four of the Assistant Administrators, could use the funds appropriated for various purposes and specific projects among which are those which I have already mentioned and outlined.

Obviously, the President of the United States would have the final say-so on how and where the funds were to be used. My amendment would allow the Administrator to coordinate his programs with the Central Intelligence Agency. My amendment does not put the agency under the State Department for a number of valid reasons which I shall discuss later, but there is no reason why the President who, after all, is responsible for our foreign policy, could not consult with his Secretary of State on policy questions.

In addition to \$20 million of the foreign-aid appropriation, the Freedom Administration could draw upon counterpart funds now on deposit in Europe to the credit of the United States, with the approval of the President, for allocation to approved national freedom committees now or hereafter functioning in the free world, to enable these committees to maintain and to step up their broadcasting, publishing, correspondence, and other campaigns to keep alive freedom and resistance behind the Iron Curtain. Committees to which counterpart funds are allocated shall have the approval of a majority of the Assistant Administrators.

As the Senate knows, in Europe and in Greece and Turkey at this time, 10 percent of the counterpart funds deposited to match dollar funds obligated in the country are reserved for United States use. This has been true since June 20, 1952, and before that time there was a 5-percent requirement. In the fiscal year 1955, the amount of funds of European countries transferred to United States use amounted to \$31.9 million, and from April 3, 1948, to June 30, 1955, the cumulative amounts so deposited amounted to \$610.6 million. Here, Mr. President, is a source of funds available for United States use which has already been appropriated by the Congress and which certainly can be and ought to be used in part for the purposes I have outlined here.

In addition, funds are made available for United States use under sections 550 of the act of 1951 and 402 of the Mutual Security Act of 1954. These are funds made available to the United States in the currency of the local country from the sale of United States surplus agricultural commodities. On June 30, 1955, the amount of the balance on deposit for Europe alone was \$80,882,000. These funds, of course, are used for a variety of purposes, including direct forces support, defense support, and development assistance programs. Yet, there is no reason why a fair share of these funds could not be used for the purposes of establishing a Freedom Administration Agency.



Thus, Mr. President, it is possible to establish and carry out a Freedom Administration program to keep alive the spirit of freedom of the now subjugated peoples behind the Iron Curtain. The program can be carried out largely with funds which the Congress has already appropriated or which Congress will appropriate in the future for our mutual-security needs.

The program is badly needed. Too many people are being lulled into a sense of well-being and forgetfulness because of what I believe is only an apparent shift in Soviet policy. There is increasing talk in high circles in this country about co-existence and this can lead to dangerous concessions which will be in fact, although not in name, acts of appeasement. We must not forget those of our fellow men who still struggle against the chains of Communist slavery. We have pledged ourselves as a matter of national policy to do all we can to keep their hope and spirit alive and to help them achieve their freedom and dignity as free men which all men everywhere deserve as a right. I hope, Mr. President, that the Senate will approve of my proposal.

My amendment, Mr. President, is in no way designed to do away with certain functions which are already authorized by the Congress. I refer specifically to the program of the United States Information Agency and the United States escapee program and other programs designed to keep the spirit of freedom alive in the conquered countries.

But, Mr. President, the program I propose would extend that program and would use the talents and abilities of groups which are active in the fight for freedom but whose services are not now being used to any great extent.

There are numerous nationality groups—in the United States as well as in Europe—who are working day and night to aid their countrymen who are now in chains. For the most part, these groups have a little money and their activities are limited by the small amount of private funds which are available to them. It is true that we are providing \$7 million in the present appropriation for the escapee program, which my amendment would aid and abet. It is also true that, under section 401 of the Mutual Security Act of 1954, the President has a special fund which he may use for certain specific programs; \$100 million may be used for any selected persons who are residing in, or are escapees from, the Soviet Union and the conquered satellites. I wish to stress those words, "selected persons," for the amendment I propose would go beyond selected persons to nationality groups who are already organized and who are fighting by peaceful means to gain freedom for their countrymen. Further, the purposes for which the funds under section 401 can be used by the President have been limited. He can use them—and I quote from the language of Public Law 665 "either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes when the President determines that such assistance will contribute to the defense of the

North Atlantic area or to the security of the United States."

Mr. President, those are worthy purposes. I agree with them. But, Mr. President, the money has not been spent—to my knowledge—in any great amount to use the services of the many nationality groups who are fighting the Communists. The President's fund is a program aimed at persons and it is a program aimed primarily at bringing these persons into the North Atlantic Treaty military organization. Therefore, the amendment I offer in no way conflicts with section 401, the President's special fund, and, in fact, would harness the abilities and knowledge of groups of free men on this side of the Iron Curtain to help speed the day when their own former countries would be free and independent. My amendment would establish a program which is not now in effect and would tap the abilities and resources of peoples and groups whose abilities are not now being used on anything like the scale they should be used. That, Mr. President, is the purpose of my amendment and it is a purpose which is both a worthy one and one which is not now being put into effect.

A word or two of history about this amendment and about an alternative amendment which was offered and adopted earlier this afternoon may be in order. The amendment which is now being offered was first offered by me to the Foreign Relations Committee during its deliberations, in substantially the same form in which it is now offered. At the same time, my colleague, the junior Senator from Illinois [Mr. DRICKSEN], proposed an alternative amendment, having some, though not all, of the same aims, but differing from our amendment in at least two major respects:

First, instead of some \$20 million provided under my amendment, plus the use of counterpart and other funds available to the United States in foreign countries, his amendment provided \$5 million, and that to be spent at the discretion of the President.

Second, whereas I proposed a separate administration based on nationality groups in this country, he proposed that it be administered under the direction of the President.

Both of those proposals were considered by the Foreign Relations Committee, and both were rejected. The State Department sent to the committee a letter, which I shall discuss later in my speech, describing its reasons for opposing my amendment.

I determined to bring this matter up on the floor, and therefore had my amendment printed and presented to a number of Members of the Senate. I gave notice to the leadership that I intended to raise the question, as a matter of public record, and that I was going to bring up the issue. I talked it over at a luncheon for a number of Senators including the minority leader. I held nothing back and was frank about what I intended to do. My colleague did not have his amendment printed. There was no record of which I was aware that it was going to be offered, and I assumed,

perhaps unwarily, that it would not be offered.

This afternoon, a little more than 2 hours ago, when very few Senators were on the floor, my colleague presented his amendment in typewritten form, with some penciled additions to it, and it was accepted and is now a part of the bill.

I regret that I was not notified by him that this alternative proposal to ours was to be submitted. My office was not notified, and I am told that the amendment went through when there were very few Senators present on the floor.

I hasten to say that I have notified my colleague that I intended to speak on this subject. His office was notified; and, just a few minutes ago, I notified him in person. So I feel I at least have observed the amenities of the Senate in giving full notice to my colleague of what I intended to do.

Incidentally, I think it may be worthy of notice that, whereas my amendment was brushed off with a letter from an Assistant Secretary of State, Mr. Hill, the Secretary of State himself addressed a letter to my colleague approving his proposal. I am not an expert on protocol, but I sometimes wonder if under this administration they have established two classes of Senators here, first-class Senators and second-class Senators, second-class Senators being Democratic Senators whose proposals receive notice only from an Assistant Secretary of State, whereas Republican Senators get the red-carpet treatment and receive letters from the Secretary of State.

I rather think I am correct on such matters of gentlemanly etiquette, if not State Department protocol, and I respectfully call this fact to the attention of the cutaway-coat and striped-pants boys down in Foggy Bottom who are experts, so they think, in all matters of gentlemanly decorum.

Let me proceed to discuss the substantive merits of our proposal, and to contrast it with the proposal made by my colleague. In the first place, our amendment would give more money; specifically, it would set aside \$20 million, as contrasted to the \$5 million authorized under the amendment of my colleague. In addition, our amendment would permit counterpart funds and funds built up by the sale of agricultural commodities abroad among others, to be drawn on for the purposes of my amendment. So that our proposal calls for a much more adequately financed program than does that of my colleague.

Secondly, it should be noticed that the proposal of my colleague merely states that the money is to be spent at the discretion of the President. I have discussed the fact that Congress, on a previous occasion, by the adoption of the so-called Kersten amendment some time back, provided funds of \$100 million, to be spent at the discretion of the President, for some of these purposes, although they might be regarded as being limited merely to integrating refugees from behind the Iron Curtain countries into the Armed Forces of the North Atlantic Treaty Organization.



I have been trying to get the facts on how much has been spent under the Kersten program. The committee report seems to indicate, on page 50, that not more than \$12 million of the \$100 million appropriated last year has been spent; and I have heard reports that appreciably less than that has been spent. So I think it can be said that the administration has not taken advantage of the funds which already have been provided to it, and that if we can judge the future by the past—which is substantially the only way one can judge the future—the prospects do not look very good for much action under the amendment which was adopted when only a few Members were on the floor, and when not many Members knew what was going on.

A third difference is that my colleague's proposal would, of necessity, mean that the work would be carried on under the direction of the State Department. We had certain very definite reasons for setting up a separate administration from the State Department to handle this matter. I shall try to discuss those reasons very frankly and in all charity. The members of the State Department have frequently been unjustly criticized and when this has been done, I have defended them. But a frank statement of their disqualifications is in order.

In the first place, it is very hard to get the State Department to try to sow discontent within any country with which it has diplomatic relationships. The members of the State Department are trained in the code of diplomacy—at least toward foreign countries, if not toward members of the opposition party within their own country; and they observe a proud punctillio in such matters, by saying that they should not sow discontent with one hand while they balance a teacup or a cocktail glass with the other. They are the teacup boys and the cocktail boys and the diplomatic note-writing boys; and do not like to have their attention diverted in other directions. They sometimes find it beneath their dignity to stir up discontent among the peoples of the governments with which they are dealing. This is not an indictment by me of the State Department; it is merely an indication that those in the State Department have certain occupational characteristics which they cannot overcome. Barbers are said to be loquacious; shoemakers' children are supposed to be ill shod; and members of the State Department do not like to engage in stirring up discontent in the countries to which they are assigned. In fact, members of the State Department feel that they are representatives to governments, not representatives to peoples; and I wish to say that they tend to regard their duties as being discharged when they present diplomatic notes and when they go through the formalities of communication. As a result, when someone like Mrs. Anderson or Mr. Bowles comes along—someone who wishes to be friendly with the people and to establish bonds of amity with them—the members of the State Department shake their collective heads, and their

collars wilt, and their faces become longer and longer, and their temperature diminishes to such a point that fruit could be preserved for a long time in the low temperature which exudes from them.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. Would the Senator from Illinois be willing to strike out the word "collective" from his phrase "collective heads"?

Mr. DOUGLAS. Perhaps I should strike out the word "heads" and substitute "that organ of the body which gives to them tropismatic responses." [Laughter.] That is one point. We felt that there should be more vigorous administration than that, and that the administration should be handled by a new group.

Furthermore, with the passage of time, any governmental agency tends to become somewhat waterlogged and unenthusiastic about new projects; and if we are to obtain results, it is frequently necessary to start a new administration. We found that to be true when we began the Marshall plan. The State Department wanted to administer it; but it is well known that if that had happened, the Marshall plan would not have been very effective. So a separate administration was established to handle the Marshall plan; that administration was under Mr. Paul Hoffman. Regardless of whether one approves of the principles of the Marshall plan—I think nearly everyone does now, although perhaps some may quarrel about the amounts spent—I think everyone will agree that under Mr. Hoffman, the Marshall plan was handled much more efficiently than it would have been if it had been handled by State Department personnel.

There is another point, and I shall be frank about it, namely, that while the Republican candidate for the presidency and his prospective Secretary of State campaigned vigorously on the program of liberation, in practice that program was not carried out, once the administration took office; and, instead, there has been substituted a program of co-existence and of getting along with the Russians, which tends to make the administration reluctant to embark upon a vigorous program of this type.

Mr. President, I wish to cite, if I may, the pledges which Mr. Dulles and General Eisenhower made in the campaign of 1952. I do this, not in a partisan sense, but in order that Members of the Senate may be apprised of the commitments the administration made when it sought the favor of the American people; and I do so in the hope that the President and the Secretary of State and the State Department may have second thoughts about the matter, and may return to their earlier position.

In an article in *Life Magazine* on May 19, 1952, Mr. John Foster Dulles wrote:

Consider the situation of the twenty-odd non-Western nations which are next door to the Soviet world. . . . Today they live close to despair because the United States, the historic leader of the forces of freedom seems dedicated to the negative policy of containment and stalemate.

But liberation from the yoke of Moscow will not occur for a very long time, and courage in neighboring lands will not be sustained, unless the United States makes it publicly known that it wants and expects liberation to occur.

Mr. President, if any Member doubts the accuracy of that quotation, I have before me a photostatic copy of the article which was published in *Life* magazine.

Mr. Dulles continued, as follows:

The mere statement of that wish and expectation would change, in an electrifying way, the mood of the captive peoples. It would put heavy new burdens on the jailers and create new opportunities for liberation. (*Life*, May 19, 1952, p. 154.)

In the Republican Party platform of 1952, there was this statement:

The policies we espouse will revive the contagious, liberating influences which are inherent in freedom. They will inevitably set up strains and stresses within the captive world which will make the rulers impotent to continue in their monstrous ways and mark the beginning of their end.

Mr. President, Members of the Senate will recall that the chairman of the committee who wrote this section of the Republican Party platform in 1952 was the present Secretary of State, Mr. John Foster Dulles.

Then we come to August 1952; and when speaking before the American Legion Convention, on August 25, 1952, Candidate Eisenhower had this to say:

We must tell the Kremlin that never shall we desist in our aid to every man and woman of those shackled lands who seek refuge with us, any man who keeps burning among his own people the flame of freedom or who is dedicated to the liberation of his fellows.

Mr. President, that quotation will be found in the *New York Times* for August 26, 1952, on page 12; and if any Member doubts the accuracy of that quotation, I have before me a photostatic copy of the article in the *New York Times*.

Our proposal would help to make it clear, in the words of General Eisenhower, that the United States "never shall desist in our aid to every man and woman of those shackled lands who seeks refuge with us."

Following this speech of General Eisenhower on August 25, he and Mr. Dulles conferred, and the results of the conference were made public in a news conference by Mr. Dulles on August 26, 1952. Mr. Dulles made the following statement, as quoted in the *New York Times* of August 27, 1952, pages 1 and 15:

General Eisenhower agreed with me again that the most important single issue before the American people is the issue of foreign policy.

What we should do is try to split the satellite states away from the control of a few men in Moscow, he urged. The only way to stop a head-on collision with the Soviet Union is to break it up from within.

Mr. Dulles said the United States should never accept a divided Korea, a divided Germany, or a divided Austria as a finality. Truce negotiations should be continued to end the fighting in Korea, he said, but they should not be used as an arrangement which divide Korea permanently.

And on August 27, 1952, in a speech before the American Political Science Association at Buffalo, N. Y., Mr. Dulles



had this to say—and I quote from the New York Times of August 28, 1952, page 12:

Next, he said, resistance movements would spring up among patriots, who could be supplied and integrated via air drops and other communications from private organizations like the Committee for a free Europe.

Although there were many other specific pledges in the 1952 campaign, I wish to quote only two more by General Eisenhower. Speaking in Cincinnati on September 22, 1953, he made the following statement:

These principles demand that we use every political, every economic, every psychological tactic to see that the liberating spirit, in the nations conquered by communism, shall never perish. Thus, we shall help each captive nation to maintain an outward strain against its Moscow bond. The lands closed in behind the Iron Curtain will seethe with discontent; their people, not servants docile under a Soviet master, but ardent patriots yearning to be free again. Nothing is so damaging to a tyrant's war machine as the steadfast spirit of an unhappy people.

And on September 27, 1952, Mr. Eisenhower made this pledge in a letter to the town meeting, Old Sturbridge, Mass., and I quote:

In the struggle against expanding communism, we must miss no opportunity to rally men and women everywhere to the cause of freedom and progress, as opposed to the reaction of totalitarian policies and methods. We must fully develop under efficient, able direction every psychological weapon that is available to us.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from New York.

Mr. LEHMAN. Am I correct in believing that all the statements which the distinguished Senator from Illinois has quoted were made during the Presidential campaign of 1952?

Mr. DOUGLAS. The Senator is correct.

I believe those pledges were straightforward and clear. I believe that there were no "ifs" or "buts" about them.

I welcomed those statements. I thought that General Eisenhower, Mr. Dulles, and other speakers for the Republican Party were very unjust in the charges they made about the Truman administration and Mr. Acheson. They attacked the Truman policy of containment. They said they had another policy, namely, liberation. It never seemed to me that those were antithetical or opposed policies. We must contain a force before we can roll it back. Therefore it seemed to me that the criticism of the policy of containment was wrong. But I recognized the fact that we were in a stage in which, after communism had been contained by the wise policies of Truman, it was quite proper that we should attempt to roll it back and to liberate the subject peoples.

I believe, therefore, that what I am proposing is clearly in line with the campaign pledges made to the American people in 1952, by President Eisenhower and Secretary Dulles, and that there is no basic principle by which the administration can, in good conscience, object to the plan I am putting forward.

But, Mr. President, I wish to be fair and I wish to stay away from a partisan position on this subject which is so important to the free world, to the American people, and to the subjugated peoples behind the Iron Curtain. For that reason, let me argue in detail the objective which the State Department raised to my amendment.

I ask unanimous consent that, at this point in my remarks, there be printed a copy of the letter which the State Department sent to the distinguished chairman of the Foreign Relations Committee in which they object to my amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,  
Washington, D. C., June 12, 1956.

HON. WALTER F. GEORGE,  
Chairman, Committee on Foreign Relations, United States Senate.

DEAR SENATOR GEORGE: In accordance with a request by your staff, we have reviewed an amendment to H. R. 10082 intended to be proposed by Senator DOUGLAS which would create a new Freedom Administration, as an independent agency of the United States Government.

The executive branch is in full accord with the policy stated in this proposal, that is, to keep alive in the hearts of enslaved people the spirit and hope of freedom. As you know, many of our programs are pointed exactly toward this objective. The mutual security program, including the United States escapee program, and the activities of the United States Information Agency are examples of this effort now being carried on by the Government.

The Department of State does not, however, feel it can endorse the passage of this amendment for a number of reasons:

1. The Freedom Administration would operate in an area directly impinging on the foreign relations and policies of the United States, but would, although subject to presidential supervision, be independent of the President's principal adviser on foreign policy, the Secretary of State. At the same time, one of the chief functions of the Freedom Administration—the making of monetary grants to certain anti-Communist organizations—would by law be subject to consultation with the Director of Central Intelligence. This provision, especially when linked with the mutual security program, would in itself bring the motives of the administration into question and offer a prime target for Soviet-inspired attacks.

2. The executive branch does, of course, share Senator DOUGLAS' desire to see free institutions restored to the countries and peoples of Eastern Europe now incorporated against their will either within the U. S. S. R. or subjected to its domination. However, once we agree that war is excluded as a means to attain this objective and that other means are required, the most careful attention must be given to the means actually chosen. Certain activities can best be undertaken by agencies of the United States Government, while other steps can be most properly carried out through private, nongovernmental groups.

3. If by grants of public funds the Freedom Administration publicly recorded direct Government interest in certain anti-Communist organizations, there would be the danger that such organizations would immediately take on the character and limitations of official operations, thereby impinging upon similar activities currently being carried out by governmental agencies. Moreover, the appeal which such activities offer as representative national and private

groups to the people of the captive nations would thereby be sacrificed.

In addition to the above policy objections there are serious administrative difficulties which would make the proposed amendment unworkable.

Should there be other aspects of this matter which you or Senator DOUGLAS believe should be privately discussed, we should be happy to review them with you and him at any time.

The Bureau of the Budget has advised that there would be no objection to the transmittal to your committee of the report contained in this letter.

Sincerely yours,

ROBERT C. HILL,  
Assistant Secretary.

Mr. DOUGLAS. First of all, Mr. President, they say that they are in "full accord" with the policy stated in my proposal. Then, however, they object to my amendment. I believe that their objections will not stand analysis and I propose to analyze them now.

They say that the making of monetary grants to certain "anti-Communist" organizations when linked with the mutual security program would "in itself bring the motives of the administration into question and offer a prime target for Soviet-inspired attacks."

Mr. President, that objection is one that is hard to take seriously. Our country is committed to an anti-Communist policy. Everyone knows that. We voted an extra \$1.1 billion for the Air Force to protect our country and we made no bones about whom it was we feared. The USIA is certainly designed—as a governmental program—to be an "anti-Communist" policy. Do we care that the Russians claim that the USIA is anti-Communist in purpose? Certainly, I do not. So, Mr. President, if our Government, in many different ways is sponsoring and advocating anti-Communist programs, how, in heaven's name, can a program which I am offering and advocating bring the motives of the administration into question and offer a prime target for Soviet-inspired attacks?

I may say in this connection that this objection which the State Department advanced to my amendment would apply equally to the amendment of my colleague, which Mr. Dulles approved, because the amendment of my colleague would permit grants to private organizations engaged in keeping alive the will for freedom behind the Iron Curtain. So apparently if a proposal is advanced by the Democratic Senator from Illinois, it is an improper proposal, but if a similar proposal is advanced by my junior colleague, the Republican Senator from Illinois, it is perfectly proper and praiseworthy. This confirms my long held belief that Mr. Dulles is a Republican before he is anything else and that he is always seeking to put the Democrats, upon whom he depends for support, in a hole. This is apparently his version of bipartisan cooperation. Thank God there are some of us who have higher standards than that.

What motives would be under attack? Are we not proud that our motives are to give hope and freedom to those who are now in chains behind the Iron Curtain? Perhaps the State Department is



afraid that that motive might be attacked, but I say that is a decent motive. I say that is a motive which is our national policy. I say that is a motive which the Congress has passed on time and time again, and one for which we have appropriated billions and billions of dollars. And why should we be concerned that the Soviet would inspire attacks on such a Freedom Administration? Of course, they would inspire attacks on it. Are we to sit back and fold our hands because through a Freedom Administration, through a large Air Force, through a huge defense budget, and through our mutual security program, we offer the Soviet Union prime targets for attack? I believe that this argument of the State Department is one which cannot stand the test of analysis and, if we accepted it, we would now cut our defenses, stop our mutual security program, junk the USIA, do away with the CIA, and give up the refugee escapee program. The Communists have aimed their attacks at these acts and organizations. That merely proves how effective they are. And the Communists would aim their attacks at the Freedom Administration which, so far as I am concerned, is a very valid reason for adopting it.

The second objection which the State Department makes is that "certain activities can best be undertaken by agencies of the United States Government, while other steps can be most properly carried out through private nongovernmental organizations."

I gather that their objection is that my amendment would give the weight and backing of the United States Government to the Freedom Administration program to keep the spirit of freedom alive behind the Iron Curtain. I gather that the State Department believes that this should be done by private groups. I think there are a number of valid answers to that objection.

First, I believe that it should be the policy of the United States Government to keep freedom alive behind the Iron Curtain. Further, I believe that the administration is committed to that—not just that it is to be carried out by private agencies—but is committed to use the agencies for Government to obtain that. That certainly is what our diplomacy should be aimed at. That certainly is what the CIA, the USIA, the President's special fund, and the mutual security program is aimed at. There can be no objection that this program should not be carried out by the United States Government. That is a foolish objection, for the object and the means I propose are already ones which, in part, at least, the United States Government is committed to.

I found it a bit difficult to understand the confusion on this point. On the one hand, it has been argued that my amendment is not needed because we already do some of these things. Of course, as Members know, we do not do all of the things I am proposing and we have failed to tap all of the resources—like the nationality groups with their special knowledge—to carry out the purpose of my amendment. Nonetheless, my amend-

ment has been objected to on grounds that it is already being done.

But, on the other hand, we find the State Department arguing that the Freedom Administration which I am proposing, and the means by which it should be carried out, should be handled by private nongovernmental groups.

The PRESIDING OFFICER (Mr. Scott in the chair). The time of the Senator has expired.

Mr. DOUGLAS. Mr. President, on page 55 I move to strike out section 13, beginning in line 1 and ending in line 16.

The PRESIDING OFFICER. The amendment is not in order at this time.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be permitted to speak for a half hour on the bill.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Mr. President, I would have to object to that, because it would vitiate the whole unanimous-consent agreement.

Mr. DOUGLAS. Mr. President, I understand that when the unanimous-consent agreement was discussed, it was pointed out that if a Senator needed more time, he could always offer another amendment.

The PRESIDING OFFICER. The Senator may offer an amendment at the appropriate time.

Mr. CHAVEZ. I am sure the Senator from California, for whom I have the highest respect, would wish to have this subject discussed fully, irrespective of how Senators vote on the amendment. I hope he will not object to the request of the Senator from Illinois. It is a fair request.

Mr. HUMPHREY of Minnesota. Mr. President—

The PRESIDING OFFICER. Does the Senator yield time to the Senator from Minnesota?

Mr. HUMPHREY of Minnesota. I wish to address the Chair. I wish to call up an amendment. On page 4 of the amendment offered by the Senator from Illinois [Mr. DOUGLAS], I seek to strike out—

The PRESIDING OFFICER. Such an amendment is not in order at this time.

Mr. HUMPHREY of Minnesota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY of Minnesota. Are we being foreclosed from offering amendments to the bill?

Mr. KNOWLAND. There is no attempt at foreclosure. However, under the unanimous-consent agreement a half hour is allotted to each side on the amendment. When the opposition has had an opportunity to reply to the Senator from Illinois, and when all time on the amendment has expired, it will be in order for a Senator to offer an amendment, at which time the Senator from Illinois or any other Senator will have an additional half hour of time to speak on another amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY of Minnesota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY of Minnesota. Does the opposition to the amendment intend to use its time on the amendment, or does it intend to forfeit its time?

Mr. KNOWLAND. We will use some of the time. We may not use all of it. If not, I shall be glad to give some of my time to the Senator from Illinois. However, we do have a number of speakers on the amendment, and I believe the orderly procedure to follow would be to permit the opposition to be heard.

Mr. DOUGLAS. May I ask the distinguished majority leader if he would be willing to yield me not to exceed 8 minutes on the bill?

Mr. HUMPHREY of Minnesota. Mr. President, a parliamentary inquiry.

Mr. CLEMENTS. Mr. President, I should like to cut that request down a little bit. I yield 5 minutes on the bill to the Senator from Illinois. While he is speaking on the additional time, Senators may be able to get together and decide whether they will offer another amendment. I yield 5 minutes to the Senator from Illinois.

Mr. HUMPHREY of Minnesota. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY of Minnesota. Yesterday an amendment was offered by the Senator from Wisconsin [Mr. McCARTHY]. Subsequently an amendment was substituted by the Senator from New Hampshire [Mr. BRIDGES]. At that time I posed the question as to whether we were adopting a system of extending time under the unanimous-consent agreement. I said if we were, I wanted to be notified of that fact, so that the arrangement would apply equally to everyone. I now find that the Senator from Illinois is not privileged to permit another Senator to offer an amendment. I should like to point out that yesterday no one spoke after the Senator from Wisconsin [Mr. McCARTHY] had spoken, so far as his amendment was concerned.

The PRESIDING OFFICER. Yesterday the Senator from Wisconsin [Mr. McCARTHY] withdrew his amendment, and the Senator from New Hampshire [Mr. BRIDGES] offered another amendment.

Mr. HUMPHREY of Minnesota. I shall resume the discussion after we have had an opportunity to consult with one another and to consider the rules of the Senate.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes on the bill.

Mr. DOUGLAS. Mr. President, those who oppose the amendment cannot have it both ways. They cannot argue on the one hand that what I propose is not needed—for it is already being done—and on the other hand that it should not be done by the United States Government but should be carried out by private groups. There is a clear inconsistency in this argument. The facts are that what I am proposing is not being carried out by the American Government; it should be carried out by the American Govern-



ment, and my amendment provides the means for doing it.

The third objection of the State Department is that if funds were granted to these nationality groups, after approval by the President and by the CIA, and by a majority of the administrators of the program—

There would be the danger that such organizations would immediately take on the character and limitations of official operations, thereby impinging upon similar activities currently being carried out by governmental agencies. Moreover, the appeal which such activities offer as representative national and private groups to the people of the captive nations would thereby be sacrificed.

Now, Mr. President, that is an objection which has already been raised in the first two objections of the State Department. I believe, again, that the State Department cannot have it both ways. They claim that my program would impinge on activities currently being carried out by governmental agencies—which activities apparently do not embarrass the United States—but that if the national and private groups were given support by the United States Government their special appeal would be sacrificed.

That is an amazing argument. Why is it, then, that the nationality groups support my amendment? Surely, if they thought they would lose their special appeal in gaining freedom for their countrymen, they would oppose my amendment. But, they support it and have urged it, because they know it is yet another method by which their ends—which are the eventual freedom of their countrymen, can be brought about.

And, again, we have conflicting argument that it is already being carried out, and, on the other hand, it should not be carried out. Again, the State Department is trying to argue both ways.

Mr. President, I may say that this is a very serious matter. There has been little or no attempt by the administration to effect liberation. The promises of the administration in the campaign of 1952—that is, the promises of General Eisenhower and Mr. Dulles—probably did help to inspire the abortive armed revolts behind the Iron Curtain in the spring of 1953. However, it was soon found that we had no positive program to support those people. As a result, the leaders were killed or thrown into prison, and it was a net blow to the resistance movement.

We are not proposing an armed revolt at an inopportune time. We are proposing that the spirit of revolt be kept alive, and that a collective slowdown be encouraged, which would be almost impossible to detect and which would be extremely effective in its operation.

Unless we do something to help sustain the spirit of resistance behind the Iron Curtain, we will likely lose out.

A few weeks ago one of the leading members of the Polish Government in exile in London, a man whose previous record had been that of a devoted anti-Communist, announced he was returning to Poland. He said he was returning to Poland because of his disgust with the

policies of the American and British Governments.

He had concluded that neither the United States nor Great Britain meant business, and that the only thing to do was for him to make terms with the Communist Government of Poland.

Mr. President, in the riots which started yesterday and which may be going on now in Poland the heroic people of that nation, with their bare hands, have risen against their masters, and, according to the Warsaw-controlled radio, 38 have been killed and 270 wounded. I think we should send a message of hope to them, and I submit that my amendment would do that.

Mr. President, I do not believe the State Department has a single valid argument against my proposal. They say they are in full accord with the policy of my amendment and then turn around and put forward a number of obviously inconsistent arguments.

We are not to do this, according to them, because the Communists might attack our motives. But we all know the Communists attack our motives at every step. When we help colonial peoples to freedom we are accused of being anticolonial. When we arm to keep ourselves strong against the huge Russian military machine, we are accused of being militaristic. When we wish to share our atom knowledge, under proper safeguards, with the rest of the world and to have adequate inspection of atomic facilities throughout the world, we are accused of wanting to foment an atom war. Mr. President, let us not be dissuaded because the Communists might attack our motives.

In summary, Mr. President, I believe that this amendment should be adopted. It is needed.

Its purposes are unobjected to.

The arguments against it are inconsistent.

The policies it would carry out have been proclaimed by the President and his Secretary of State.

The Congress of the United States has supported its aims by dozens of its actions.

Therefore, I hope the Senate will adopt the amendment and that we can give this further encouragement to the peoples of the Iron Curtain.

Mr. President, I have been glad to send to Chicago to the great meeting honoring the memory of Ignace Jan Paderewski, the first Premier of Poland, on the 15th anniversary of his death, today, the following message:

I not only join with you in honoring the memory of a great world citizen, Ignace Jan Paderewski, but I share with you the deep feelings of encouragement at the dramatic new evidence of the undying determination of the Polish people to struggle for their freedom despite the most brutal and oppressive tyranny. I hope the Congress will answer the courageous resistance of the people of Poznan by taking affirmative action to establish a Freedom Administration to encourage and assist all proper efforts to liberate the people of Poland and other Iron Curtain countries.

The PRESIDING OFFICER. The time of the Senator from Illinois has again expired.

Mr. DOUGLAS. Mr. President, may I have 1 more minute?

Mr. CLEMENTS. Mr. President, I yield 1 minute on the bill to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I hope I can further tell this great Chicago meeting of Polish Americans honoring the memory of Ignace Jan Paderewski that the Senate of the United States has taken action today to encourage the liberation of those under Communist subjugation by approving this amendment, and that we can send a message of hope not only to the victims of tyranny in Poland itself but to all others who suffer under Communist rule. This would be the most fitting tribute of all—positive action for liberation—to the memory of that great statesman and fighter for freedom, Ignace Jan Paderewski.

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. President, I joint with the distinguished Senator from Illinois in my interest in foreign populations and the people behind the Iron Curtain. I believe my record will show that I have been rather active in that field ever since I have been a Member of the Senate. But I think the approach of the Senator from Illinois to this question is the wrong approach.

I understand the Senate has already adopted an amendment, offered by the Senator from Illinois [Mr. DIRKSEN], which covers the same field in a less elaborate way.

The argument which the Senator from Illinois [Mr. DOUGLAS] has made does not strike me as being valid. Certainly, we must do all we can. We have built a foundation, and now we are asked to erect a new edifice—to establish a new executive branch agency. This would interfere with the State Department's functions in the foreign-policy field, would cause confusion about United States policies, and would necessitate coordination with existing agencies. It would raise false hopes, in my judgment, in the minds of the people behind the Iron Curtain.

The amendment calls for eight deputy administrators appointed on a basis of national origins. This idea is contrary to United States traditions of proper qualifications for public office. Frankly, I think it is questionable whether we should use national origins as a basis for such appointments.

The Freedom Administration would be a Government corporation. This form of organization is inconsistent with the tasks which the agency would be called upon to perform.

The amendment would authorize the appropriation of \$20 million in each fiscal year for use by the Freedom Administration. This would be in addition to the amounts in the bill recommended by the committee. There is no program for using this new amount, so that the Senate has no idea whether such an appropriation makes sense or not.

Furthermore, it seems to me the Commission would be rather fancy in its general setup. The amendment calls for a Commissioner at a salary of \$17,500 a



year, and for 8 deputies at \$15,000 apiece, and the deputies are to be chosen from certain nationalities in this country.

I cannot imagine how such a Commission would operate or that it could operate in the manner contemplated. The amendment would make available to the Freedom Administration any foreign currencies owned by the United States. This authority would be without control by Congress, since it would be exempt from controls established by section 1415 of the Supplemental Appropriation Act, 1953.

I am familiar with the general program of student exchange and with how that program is financed. I am wondering whether it is intended to take the use of foreign currencies used for that important program to finance this Freedom Administration.

The amendment would duplicate the authority already existing in the Mutual Security Act of 1954, in sections 401, 403, and 405, to carry out programs consistent with the purpose of the amendment. The amendment would also duplicate authority granted to the State Department and the USIA.

Section 401 of the act provides:

Not to exceed \$100,000,000 of the funds available under this section may be expended for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia or the Communist-dominated or Communist-occupied areas of Germany, or any Communist-dominated or Communist-occupied areas of Asia and any other countries absorbed by the Soviet Union, either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the United States.

It seems to me that this section is more comprehensive and more in line with our present setup than this new proposal would be.

Of course, there is always a danger that establishing an organization of this kind would give rise to Soviet propaganda against the United States to the effect that this agency is the only United States agency interested in freedom. It does not seem to me to be the appropriate way to handle the matter.

So, Mr. President, I express my opposition to the amendment offered by my distinguished colleague from Illinois, at the same time assuring him that I am deeply concerned with the whole problem of the people behind the Iron Curtain and sympathize with their desire for freedom. It should continue to be our purpose to give them every hope of freedom from Communist oppression.

Mr. KNOWLAND. Mr. President, I yield 10 minutes to the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, I am responsible only for my own conduct, and I trust that whatever I may do here will be supported by the Senate.

There is nothing so irresistible as attack. On the 12th day of February I was in Chicago addressing a meeting, and at that time the question of whether something more should be done to aid the

nationality groups in this country to keep alive the spirit of freedom and hope was very widely discussed. I came back to the Nation's Capital a few days later, and, shortly thereafter, I addressed a letter to the very distinguished chairman of the Foreign Relations Committee. That letter was responded to by the very distinguished clerk of that committee, Dr. Marcy. And may I say that the Foreign Relations Committee of the Senate is certainly honored by having as committee clerk one of the very finest gentlemen I ever knew. He is not only a scholar, but, in every sense, he is a gentleman. So, Mr. President, when I want to know anything I go to the very indispensable group of clerks of committees who know the score.

I presented the matter to Dr. Marcy, and he said that in due course it would come before the committee. I submitted certain language at that time, and when the hearings on the foreign aid bill began, that language was considered, but it was laid on the table. It was mentioned to me at the time that my distinguished colleague had also submitted an amendment, and that his amendment was also laid on the table.

I then said to Dr. Marcy, "I wonder if we cannot revise the language so as to make it acceptable to the committee."

A few days later the language was revised and was submitted to me. I made a few modifications in the revised form, and I have carried the amendment very religiously with me since the debate began.

I have been very attentive to this matter, because I have been interested in it, as have other Senators. When the session began at noon today, I found myself beset with two committee sessions, and I came to the Senate Chamber at 12:30.

But I remind my colleague that on yesterday I talked with the Senator from Georgia [Mr. GEORGE], when he was presiding over this body, and suggested two amendments which I desired to offer. I came into the Chamber today and, at his suggestion, deferred offering the amendments on the ground that it was perhaps too early for the committee to accept any amendments to be taken to conference.

The result was that I went to lunch. While I was at lunch, word came to me to return to the Chamber; that there was an opportunity to present the amendments. I presented them. There was no objection. Both of them were agreed to.

I cannot be responsible whether other Senators are in their places. I give an accounting only of my own stewardship. In so doing, I never reflect upon any other Member of this body.

The Senator from Georgia very graciously accepted both amendments. Then I went about my business, first to a subcommittee of the Committee on the Judiciary dealing with judges, and then to hear testimony upstairs, where there is a room full of witnesses.

It was not until I came into the Chamber to respond to a quorum call that I got a message from my office stating that my distinguished senior colleague

was going to refer to the fact that my amendments had been offered.

I simply submit that there are a number of persons in the world and quite a number of persons in this body who have had a continuing interest in the question of liberation. I have declaimed it from the housetops and from platforms in probably two-thirds of the States of the Union. So I make no apologies for my action, because I feel as deeply on this subject, and I am just as close to those groups, as is any other Member of the Senate.

Therefore, my conduct was entirely circumspect. If there is any quarrel about the language in which my amendment is couched, I can only say that I enlisted the aid of the very distinguished clerk of the Committee on Foreign Relations, and that I proposed this matter almost 6 months ago, when the foreign-aid bill was scarcely in the incubation stage.

I know also of the difficulty of selling an amendment on the floor of the Senate. So it was, some days ago, that I importuned the Department of State concerning the necessity for doing something on this subject. It took me quite some time to get all the answers I wanted. At long last, I contacted one of the officials of the Department and said, "Now I want some kind of answer." That answer came to me yesterday afternoon in the form of a letter signed by the Secretary of State, the Honorable John Foster Dulles. He said the Department supported the proposal in the form in which it was submitted today.

I do not know what the Department did about the proposal of my colleague, but I know that the State Department has indicated its support of my amendment over the signature of the Secretary of State.

I understand that some reference was made to class A and class B Senators. Selfishly, I hope I shall always be in class A. I do not know what the distinction is between the two, but I do know that any Member of the Senate, regardless of his political persuasion and his partisan affiliation, can always get an answer from the State Department, and can always get polite, courteous treatment.

But I did not wait when I was notified that the Committee on Foreign Relations had laid my amendment on the table along with the amendment of my distinguished colleague. I then went to work to prepare my amendment in a form which would be acceptable, and I labored further to get the approval of the State Department.

So I am grateful, indeed, that the chairman of the Committee on Foreign Relations should have said today, in the very brief discussion we had, that he thought the amendment had merit.

I add only one other thing, namely, that the amendment is amendatory of a section which is already in the bill.

Everyone knows of the Kersten Act, which deals with this matter. One hundred and fifty million dollars was made available, of which \$100 million was designed to create smaller components of escapees, in the interest of the support of the United States, the amount



to be spent under the direction of the President of the United States.

My amendment is a complete departure from the proposal which is presently pending. It merely authorizes an increase of \$5 million for this purpose, expands the purposes somewhat, and eases the administration of the provision by the State Department, because it is quite in line with the basic effort in section 401 of the act.

One other point, and then I shall have finished. I listened to and followed with great interest the speech by the President in August 1954 to the American Legion Convention. I have carried that speech with me. In that speech the President said we must assist the liberation cause by administration. Then he used this language: "By other material means."

So it will be discovered that what I was trying to do was to articulate the program of the President, and the phrase, "by material means," appears in the amendment today. It is a fortuity, of course, that it should come almost on the day when there was a revolt, a protest, and almost a rebellion in Poland because the people are without bread, and are discovering now what the heavy hand of tyranny and despotism means to them.

I think the amendment comes as a beacon and as a shining light of hope. I trust the amendment will become embedded in the language of the bill, that it will be retained in conference, and that it will be translated into action in the interest of the liberation of peoples for whom the lamps of freedom have long ago been extinguished.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. KNOWLAND. I yield an additional minute to the Senator from Illinois.

Mr. SPARKMAN. The distinguished Senator from Illinois has correctly pointed out that the Kersten amendment made available \$150 million.

Mr. DIRKSEN. That is correct.

Mr. SPARKMAN. My understanding is that only a relatively small amount of the funds provided in the Kersten amendment have been expended. What I have not been able to understand is why the proposed \$5 million is needed. As a matter of fact, I feel certain the Senator from Illinois knows that that is really the reason why the Committee on Foreign Relations decided not to add such an amendment to the bill.

Mr. DIRKSEN. I say to my friend from Alabama, first, that I was not advised, and I am not advised, as to how much of the \$150 million under the Kersten amendment has been expended. They are unvouchered funds, and the President does not give an account of them. I did not feel free to ask, in the state of the law, for an accounting to ascertain how much money was available. I wanted to be sure, therefore, that funds were available. Whether it is \$1 million, \$5 million, or \$10 million is not nearly so important as that the

language of the provision in the existing law be broadened so that this program can go forward.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. HUMPHREY of Minnesota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY of Minnesota. Has all time been used on this particular amendment?

The PRESIDING OFFICER. The Chair understands that whatever time remains is under the control of the Senator from California [Mr. KNOWLAND].

Mr. KNOWLAND. Mr. President, would the Senator from Minnesota like to have me yield him some time? I have some remaining.

Mr. HUMPHREY of Minnesota. I say most respectfully to the Senator from California that it is my intention to offer an amendment to strike certain sections of this particular amendment, which I think might be somewhat helpful.

Mr. KNOWLAND. In order to facilitate the situation, I am prepared to yield back all my remaining time so that the Senator from Minnesota can offer his amendment.

Mr. HUMPHREY of Minnesota. I say most kindly to the minority leader that if he needs some time on the basis of the amendment I am about to offer, I shall be happy to yield time to him from my side.

Mr. KNOWLAND. The Senator from Minnesota is generous. I am certain we shall get along all right.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back or has expired.

Mr. HUMPHREY of Minnesota. Mr. President, I offer an amendment to the Douglas amendment on page 3 to strike out beginning with line 4 through line 4 on page 4.

Mr. KNOWLAND. Mr. President, will the Senator restate his amendment?

Mr. HUMPHREY of Minnesota. On page 3, starting with line 4, strike out all the language on that page through line 25; and on page 4, beginning on line 1, strike out the language through line 4. The amendment would be concluded with subsection (e) (1), on page 4, and the language thereafter.

The PRESIDING OFFICER (Mr. MANSFIELD in the Chair). The Chair inquires of the Senator from Minnesota how much time he allocates to himself.

Mr. HUMPHREY of Minnesota. I allocate 10 minutes to myself at this time.

Mr. President, the news in the morning radio broadcasts and in the morning press concerning the revolt, or at least the uprising, as Poznan, in Poland, indicates to us, I think, the importance of this particular amendment, as modified by the amendment the junior Senator from Minnesota has just offered.

The purpose of the amendment offered by the senior Senator from Illinois for himself and other Senators is to make it crystal clear once again that an important part of the foreign policy of

the United States is to do everything within our powers—the peaceful and legitimate powers of this Government—to offer hope to persons behind the Iron Curtain, particularly those in the enslaved countries which were taken over by the Soviet Union following World War II, and the Baltic States, which were taken over by the Soviet Union in earlier years, around 1940.

Mr. President, in conferences some of us have had with the free leaders of the enslaved countries, such as representatives from Poland, Lithuania, Romania, Hungary, Czechoslovakia, and other countries behind the Iron Curtain, we have been informed that there is a growing sense of despair and hopelessness among the people behind the Iron Curtain.

I was happy to see this morning, however, that in Poland the passion for independence and the dedication to freedom still live. I should like to suggest, Mr. President, at this time, that if for no other reason, the amendment ought to be adopted to indicate to the patriots of Poland that the Government of the United States, the greatest free government on the face of the earth, and the people of the United States, who love freedom dearly, have not forgotten their friends and their neighbors in other areas of the world who aspire to national independence and national freedom, and who are willing literally to lay down their lives to throw off the yoke of Communist imperialism and communism.

If there ever was a time, I may say to my friend from Illinois, when the amendment he has offered was appropriate, it is this hour, because, even as we speak in this Chamber today, thousands of men and women, workers in factories, shopkeepers, students, and farmers in Poland are protesting openly, at the risk of their lives—as students did only recently in Czechoslovakia; as 2 years ago German workers did in many of the cities of Germany behind the Iron Curtain. At that time apparently we had, despite all the pronouncements made, no policy whatsoever.

PADEREWSKI

Mr. HUMPHREY of Minnesota subsequently said: Mr. President, at the point in my remarks where I was referring to the uprising in Poland, I should like to note that today marks the 15th anniversary of the death of Ignace Jan Paderewski, the world renowned artist and Polish patriot. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared in that connection.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Today when the news from Poznan gives us new evidence that the fire of human liberty still burns brightly in Polish hearts, it is fitting that we should pause to commemorate the 15th anniversary of the death of Ignace Jan Paderewski, the world-renowned composer and pianist, and great Polish patriot.

Paderewski was a close friend of Woodrow Wilson, and it was this friendship that lent strength to Wilson's insistence on the self-determination of all nations, including



Poland. Paderewski was the first Premier of the newly-freed Polish Republic in 1919. During the turbulent years between the two world wars, he played a major role in the difficult adjustment of his nation to the independence the Poles had acquired after generations of subjugation under the Russians and Germans.

Always dedicated to his country's freedom, Paderewski refused to perform public concerts after the fall of Poland at the beginning of World War II. He died in New York City on June 30, 1941, still President of the exiled Parliament.

The dedication of Paderewski to Polish independence inspires the Poles today. While the Wilsonian doctrine of the self-determination of nations remains a strong force in the motivation of American foreign policy, the United States must pay heed to these Polish aspirations. The United States Senate should look upon this commemoration of the death of Paderewski as a reminder of our international responsibilities as a continuing supporter of the cause of oppressed and captive nations everywhere.

Mr. HUMPHREY of Minnesota. Mr. President, have we here in the Senate forgotten those fateful and eventful hours in Germany 2 years ago, when workers walked out of the factories; when we saw, as demonstrated from photographs obtained, German workers beating on tanks with bare fists, German workers standing up against machine-guns with sticks and stones, Germans who wanted to be free, who wanted no further nazism, and wanted nothing more of communism?

We were without a policy, I submit. We knew not what to do, except, apparently, to send emergency food to people who could cross the line, the so-called Iron Curtain, and go into West Germany or the free sections of Berlin.

The amendment of the Senator from Illinois, in its preamble, really gives a ringing declaration of independence and freedom. It states:

It is the declared policy of the Congress to resist the spread of communism. The issue between the free and the slave world is essentially whether freedom shall survive. The struggle to preserve freedom, however, is not to be won solely by further resistance to enslavement, but also by keeping alive in the hearts of enslaved people the spirit and hope of freedom. It is the purpose of this section to advance the cause of freedom by providing aid and support to those groups which are actively engaged in maintaining, inspiring, and instilling that spirit and hope.

I have read the language of the first section of the amendment. This is its purpose and objective, and it is an objective to which every freedom-loving person in the United States of America subscribes.

The language following, in subsection (b), wherein there is created an agency under the name of "Freedom Administration," is but an outline of the administrative procedure or administrative program for carrying out the previously announced objectives.

There may be those who say we do not need a separate administrator in this area. There may be those who say we surely do not need deputy administrators. Mr. President, if there is one place where we need concentration of effort, it is in this field to which we are addressing ourselves, so as to coordinate and centralize the policies of this Govern-

ment as they relate to keeping alive the hopes and the aspirations of people behind the Iron Curtain for their ultimate liberation and freedom.

I regret to say that, because of the wide diffusion in the respective agencies of our Government of the responsibility for programs for emancipation and liberation, far too little is being done, or, if it is being done, Mr. President, its effectiveness is lost because of confusion and diffusion—confusion of purpose and diffusion of responsibility.

I feel this amendment, if adopted, will at least indicate to the administration and to nations throughout the world that there is a growing and ever-deepening concern over the fate of peoples who are enslaved. This is the right time for the declaration. If we can believe only a part of what we read, if we can believe only a little bit as to the troubles in the Communist parties in some countries, if we can believe that there is some difficulty in the Kremlin—and may I say that our State Department indicates again and again that there are grave difficulties and problems amongst the leadership of the Kremlin—if we can believe, for example, that the flame of liberty and freedom still burns in the hearts and minds of people behind the Iron Curtain, particularly in those countries which were grabbed up and enslaved after World War II—if we can believe this, and I think we have a right to, in the light of the moving and inspiring news we received this morning, then it is time for the Congress of the United States to do something specifically to help those people.

Mr. President, there are now in America free leaders from Rumania, from Hungary, from Czechoslovakia, from Poland, from Lithuania, from Estonia, from Latvia, from Albania, and from other countries which are behind the Iron Curtain. Many of them are here under the good offices of our Government. Many of them are here because they seek to live in a land of freedom, not only momentarily, but for the rest of their lives. But these persons, these wonderful men and women, who have demonstrated bravery and courage in resisting any form of totalitarianism, have come to Members of the Senate and have asked us why we do not do something just a little more concrete than we have been doing. That is what the amendment proposes to do.

If the amendment were to be taken to conference, it would do two things. First. It would indicate the overall consensus of the Senate of the United States on this issue.

Second. Let me say that if the amendment involves some difficulties in administration, with the result that the amendment requires more refining, I suggest that such matters could be worked out by the conferees.

Frankly, Mr. President, I happen to be one who believes that we are not using all the talent that is available in our country.

Therefore, this particular amendment provides for Deputy Administrators, one of whom shall be of German descent, one of whom shall be of Polish descent, one of whom shall be of Lithuanian descent,

one of whom shall be of Latvian descent, one of whom shall be of Estonian descent, one of whom shall be of Czech descent, one of whom shall be of Ukrainian descent, and one of whom shall be of such descent as to represent the remaining Slovak peoples in the Communist world.

Mr. McCARTHY. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY of Minnesota. I yield.

Mr. McCARTHY. I wish to say that I have been impressed by the words of the Senator from Minnesota, but of course actions speak louder than words. I wonder how the Senator from Minnesota voted yesterday on the Bridges amendment, which would cut off American aid to a Communist country which is dedicated to Leninism, which is dedicated to the destruction of our country.

Mr. HUMPHREY of Minnesota. Mr. President, the Senator from Wisconsin does not need to ask me, for I know he reads the CONGRESSIONAL RECORD. He knows that I voted to support the President of the United States and the Secretary of State, who pleaded with us to do exactly what the junior Senator from Minnesota voted to have the United States do.

In view of some of the votes which were cast on yesterday, I am beginning to wonder whether the Secretary of State had one speech for the Republican caucus and another speech for the Foreign Relations Committee. However, I wish to reconcile that doubt by saying that I imagine what the Secretary of State told those of us who serve on the Foreign Relations Committee was exactly what he told the Republican caucus.

Mr. President, I have no apologies to make for my vote on yesterday; and I say to the Senator from Wisconsin that I have nothing to apologize for in my long fight against totalitarianism. Let me say that I was fighting against totalitarianism long before some other Members took up that fight. Therefore, I think I know whereof I speak.

In this case I am addressing myself to an attempt to crystalize the hope of the peoples behind the Iron Curtain; and I believe that my amendment to the amendment submitted by the Senator from Illinois [Mr. DOUGLAS], on behalf of himself and certain other Senators, will do just that.

Mr. McCARTHY. Mr. President, will the Senator from Minnesota yield further to me?

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY of Minnesota. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for an additional 5 minutes.

Mr. HUMPHREY of Minnesota. Now I yield to the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, although I have gotten along very well with the able junior Senator from Minnesota, when he says he has no apologies to make for his vote in favor of having



the United States give approximately \$95 million to a Communist country—

Mr. HUMPHREY of Minnesota. Mr. President, is the Senator from Wisconsin asking me a question?

Mr. McCARTHY. Yes, I am going to ask a question.

Mr. HUMPHREY of Minnesota. I hope the Senator from Wisconsin will proceed to ask his question, then.

Mr. McCARTHY. The Senator from Minnesota does not mind receiving a compliment first, does he?

Mr. HUMPHREY of Minnesota. No; but I should like to have the Senator from Wisconsin ask the question he has in mind.

Mr. McCARTHY. Does not the junior Senator from Minnesota honestly feel that every Senator who voted in favor of giving \$95 million of aid to a Communist country, to strengthen the Communist economy and to build its armament, even though that country has devoted itself to Leninism—and let me say that I assume that the Senator from Minnesota was completely sincere and honest in so voting, as were the other Senators who voted for that proposal—think the time will come when all Senators who voted for the giving of aid by us to Communist countries will wish to apologize for voting in that way? I emphasize that I am not accusing those Senators of being insincere; I assume that they had some reasons for voting as they did. What the reasons were, I do not know.

But does not the junior Senator from Minnesota think that all Senators who voted in favor of that proposal will at some time in the future, if and when the war machine they are helping to build up in Yugoslavia is used against American young men, really have an apology to make?

Mr. HUMPHREY of Minnesota. Mr. President, let me say to my friend, the Senator from Wisconsin, that what the junior Senator from Minnesota did was to vote for the amendment reading as follows:

Notwithstanding any other provision of law, no assistance under this title or any other title of this act, or under any provision of law repealed by section 542 (a) of this act, shall be furnished to Yugoslavia after the expiration of 90 days following the date of the enactment of this section, unless the President finds—

And then we added the amendment submitted by the Senator from Wyoming, namely—

and so reports to the Congress, with his reasons therefor—

And then the committee amendment continued as follows:

(1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union,

And then the amendment of the Senator from Wyoming added these words:

(2) that Yugoslavia does not adhere to any policy for the Communist conquest of the world and (3)—

And then the committee amendment provides—

that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act.

Mr. President, what the junior Senator from Minnesota did—and let me say that I shall not take much more time on this matter—was to vote in favor of the giving of assistance to Yugoslavia if the President of the United States—who is the President of everyone in the United States, and who is vested by the Constitution with the responsibilities of Commander in Chief of our Armed Forces and the responsibilities of being our chief spokesman in foreign affairs—feels that it is in the interest of national security that such assistance be granted.

Let me say to my colleague, the Senator from Wisconsin, that he has voted, as have other Senators, for aid to Yugoslavia; he did so last year, and he did so the year before, and he did so the year before that. And let me point out that Tito was just as Red then as he is now, and let me also point out that he was then just as much of a Communist as he is today. The only difference is that now—at least, according to some persons—Tito, of Yugoslavia, has been able to get the Soviet Union to recognize his independence from the Comintern.

Mr. President, I shall conclude by saying that if there are any apologies to be made, they are to be made by those who are responsible for the foreign policy of this country, those who only a few weeks ago requested the Senate and the House of Representatives not to tie the President's hands.

I am rather surprised to find that the main trouble the President has, again and again, in connection with his foreign policy is with his own party. Let me say that it was not easy for me to rise in the Senate and say—knowing that it is an unpopular matter, knowing that politics can be played with it, knowing that demagogery can be played with it—that I am willing to trust the President and the Secretary of State, despite the extent to which I have disagreed with both of them; and, Mr. President, believe me, my record of disagreement is replete and clear. Despite the extent to which I have disagreed with them, I was not willing to substitute my opinion regarding what should be done in this instance for the opinion of the President of the United States and the opinion of the Secretary of State.

Therefore, I have no apologies to make. If apologies are to be made, they will have to be made by those who requested faith in them. I thought that, at least, inasmuch as the President was as sick as he was, it might be good to give him a little expression of faith. I am sorry that many others did not share that feeling with me.

Mr. McCARTHY. Mr. President, will the Senator from Minnesota yield for a correction?

Mr. HUMPHREY of Minnesota. Of course, Mr. President; I am always willing to yield for a correction.

Mr. McCARTHY. The Senator from Minnesota said that I voted for aid to Yugoslavia, last year. He is mistaken; I opposed aid to Yugoslavia, last year. I voted for the overall mutual aid bill.

Mr. HUMPHREY of Minnesota. That is correct.

Mr. McCARTHY. I did that despite the fact that I thought it was unwise for us to give aid to Yugoslavia. I voted for the bill because of the aid we were giving to some of our real allies.

Let me say that this year I will vote against the entire mutual aid bill, so long as it contains provision for aid to a Communist country, even though I very strongly feel that we should give aid to our allies in the East—such as Formosa, South Vietnam, South Korea, Pakistan, and other countries.

Mr. HUMPHREY of Minnesota. I appreciate the point of view of the Senator from Wisconsin.

Mr. McCARTHY. I feel very badly that I have to vote against such aid; but I cannot vote for a bill which will give \$95 million of aid to a Communist country.

Mr. HUMPHREY of Minnesota. Mr. President, I am not happy about voting for it, either; and I am not happy about having aid go to some other countries which, although they may not be Communist, have in themselves every bit as much iniquity and evil as can be found in Yugoslavia.

However, even though there are partisan differences, yet there are times when we reconcile our doubts—as I did in the case of the treaty with Formosa, and as I did in the case of our bases in north Africa, Spain, and elsewhere. After all, we have to have faith in someone.

We must have some faith, and I suggest that it is running a little thin in some parts of the political spectrum in this country.

I now yield 5 minutes to the Senator from New York.

Mr. LEHMAN. Mr. President, I rise in support of the amendment offered by the senior Senator from Illinois, as proposed to be amended by the amendment of the Senator from Minnesota. I am proud to be a cosponsor of the amendment.

Mr. HUMPHREY of Minnesota. Mr. President, will the Senator yield for one point?

Mr. LEHMAN. I yield.

Mr. HUMPHREY of Minnesota. I wonder if the Senator from Illinois would be willing to accept the amendment which has been offered by the Senator from Minnesota.

Mr. DOUGLAS. I accept the amendment, and ask that my amendment be modified accordingly.

Mr. HUMPHREY of Minnesota. Before the Senator accepts it finally, I should like to ascertain from the Chair if that would result in cutting off the time.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY of Minnesota. Then I shall postpone the request.

Mr. DOUGLAS. I withhold my acceptance, with the understanding that at the appropriate time I will accept the amendment.

Mr. LEHMAN. Mr. President, the people whom we hope to help and encourage through the enactment of this provision of the mutual security bill have



received many promises in the past. But the implementation of those promises has been so sterile that they are becoming increasingly discouraged and almost hopeless. They feel that we have been making a great many promises, but have been falling down in the performance of such promises.

During the 1952 campaign a glowing prospect for liberation was held out to the people of the enslaved countries by the Republican Party. After the election, those promises were completely forgotten and discarded by the candidates who had been elected to highest office. It is not surprising that they were abandoned. Obviously, they were merely insincere campaign pledges. Certainly no steps whatsoever have been taken to carry them out.

Since that time—1952—in an ever-growing degree, the feeling of disillusionment in the countries which are captive behind the Iron Curtain has grown to such an extent that today the people living in those enslaved countries are virtually hopeless.

The amendment which has been offered by the Senator from Illinois makes no promises which are unattainable. It holds out no prospects of achievement that cannot be realized. It does not urge revolt at this time. It does strongly hold out hope. It does give assurance to the enslaved people of the continued interest and sympathy of the American people, and of their intention to do everything possible to maintain and foster the spirit of liberty which we have ever held to be the dearest possession of any democratic nation. We pray with all our hearts that the enjoyment of liberty will soon again become an achieved fact in the countries behind the Iron Curtain and we intend to do what we can to bring that happy day about.

The enslaved countries who will be affected by this amendment have large populations. They have been freedom-loving peoples for generations—in some for centuries—although in many cases they were unhappily deprived of their liberties at different times. However, the torch of liberty, the hope of freedom, and the determination to attain freedom and liberty again, even at the risk of death, have never been extinguished. They have always remained bright in the face of the greatest and most tragic discouragement. Lithuania, Latvia, Estonia, Poland, Czechoslovakia, Rumania, Hungary, Albania, and others were all countries which have fought and made indescribable sacrifices for the preservation of their liberty over generations, yet today they are enslaved people, without any real hope of early liberation. Their slender hope will ever grow weaker unless it is encouraged by their friends in the West and it must be encouraged not merely with words, but with deeds.

I have known many of the leaders of the captive countries. I worked closely with many of them during the war years from 1939 to 1945. I have since talked with many of them who are today in exile in this country, or abroad—with some of them I have spoken only a few days ago. Those with whom I have

spoken all agree that the inclusion of this amendment in the mutual security bill would provide a great source of encouragement to their people.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. LEHMAN. May I have 3 minutes more?

Mr. HUMPHREY of Minnesota. Mr. President, may I inquire how much time is left?

The PRESIDING OFFICER. The Senator from Minnesota has 7 minutes remaining.

Mr. HUMPHREY of Minnesota. I yield 2 more minutes to the Senator from New York.

Mr. LEHMAN. Mr. President, I believe we would be losing a great opportunity if we did not include this amendment in the bill. Something has happened recently which has not received the attention and consideration of the American people to the extent that I believe it should have. Years ago, in the early years after the war, Tito declared his independence of Soviet domination. I do not know why he did it. I do not know what was in his mind, but he did it, and he won his point. He remained independent of complete Soviet domination.

In recent weeks Tito has again visited Russia. He has been hailed anew as a prodigal son, and given notable welcome and honors. He has been received back into the arms of the Soviet Union, which apparently has been willing to recognize his right to declare his personal independence and the independence of his government and of his people.

The PRESIDING OFFICER. The time of the Senator from New York has again expired.

Mr. LEHMAN. Will the Senator from Minnesota yield me 1 more minute?

Mr. HUMPHREY of Minnesota. I yield 1 more minute to the Senator from New York.

Mr. LEHMAN. I am convinced that what has happened in Russia in recent weeks may be of the greatest encouragement to the captive countries and to the entire free world. I do not believe that from this time on Russia will be able to control the destinies and the actions and policies of such countries in the manner in which she has controlled them in past years. I believe considerable encouragement has already been given to the spirit of independence and liberty in those countries, which will make them far less amenable to the will of the Soviet tyrant. I believe we would be losing a great opportunity in our efforts to bring freedom to the enslaved peoples if we did not approve this amendment.

I pray that we will not reject that opportunity.

Mr. KNOWLAND. Mr. President, I am prepared to yield back all time on this side, and vote.

The PRESIDING OFFICER. Does the Senator from Minnesota yield back his time?

Mr. HUMPHREY of Minnesota. Let me say to the minority leader that we are hoping to be able to agree upon a draft which will be acceptable. While

the negotiations are in progress, I wonder if the Senator from California would yield me 5 minutes.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. How much time remains?

The PRESIDING OFFICER. The Senator from Minnesota has 2 minutes remaining. The Senator from California has 30 minutes.

Mr. KNOWLAND. I yield 5 minutes to the Senator from Minnesota, in order that the negotiations to which he referred may proceed.

Mr. HUMPHREY of Minnesota. I thank the Senator from California.

The Senator from Illinois is the main author of the amendment, and it is my understanding that some of the difficulty involved in connection with the amendment, as it relates to some of our colleagues, concerns the rather detailed arrangement of the administration. I understand the Senator from Illinois may have a further modification to suggest. Is that correct?

Mr. DOUGLAS. That is correct. Because of the parliamentary situation I am forced to accept the amendment offered by the Senator from Minnesota to strike the language from line 3 on page 3 to line 5 on page 4. I am ready to accept that amendment. In view of the determined opposition from the other side of the aisle and from the administration, I would be ready to accept, in default of getting nothing, a proper concession by the minority leader and the distinguished chairman of the Committee on Foreign Relations.

The PRESIDING OFFICER (Mr. ALLORT in the chair). Does the Senator from Illinois accept the amendment of the Senator from Minnesota?

Mr. DOUGLAS. I accept the amendment, provided it does not exhaust my time, so that another motion can be made by the leadership.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOUGLAS. Therefore I have not yet accepted the amendment of the Senator from Minnesota.

Mr. KNOWLAND. I yield 2 minutes to the Senator from Illinois, if he needs some additional time.

Mr. DOUGLAS. I hope the time will be utilized by the distinguished minority leader and the distinguished chairman of the committee in an effort to determine if they will accept as much of the proposal as possible.

Mr. KNOWLAND. I shall be glad to yield to the distinguished majority whip for that purpose.

Mr. CLEMENTS. Mr. President, I would suggest that Senators consult a copy of the amendment, and I should like particularly to have the attention of the Senator from California and the distinguished chairman of the Foreign Relations Committee.

I would propose that on page 1, line 8, a period be inserted after the word "freedom"; that the remainder of that line be stricken; that all of pages 2 and 3 be stricken; that the first 16 lines on page 4 be stricken; that on page 4, line



17, subsection (f), lines 17 to 22, be stricken, and there be inserted in lieu thereof the following:

(b) (1) There shall be established in the Treasury Department a special fund which shall be available without fiscal-year limitation for financing the activities authorized by paragraph (a). There is hereby authorized to be appropriated to such fund out of the funds heretofore authorized not to exceed the sum of \$20 million.

Mr. DOUGLAS. I am deeply disappointed that the opposition of the State Department and of the administration is so strong that apparently it is impossible to have the Senate adopt the original proposal. I believe that is a great mistake. I am not blaming any of my colleagues. In my informal contacts on the floor, I find it is impossible, in view of the opposition from the other side of the aisle and from the administration, to have the original proposal adopted. Reluctantly, therefore, I will accept the amendment, with the understanding that at a later date we will renew the struggle.

Mr. KNOWLAND. If the distinguished acting majority leader will look at page 5, I believe, in keeping with the action which has already been taken, paragraphs (g) and (h), which refer to the matter which it is proposed to strike out should also be stricken.

Mr. CLEMENTS. The Senator is correct.

Mr. KNOWLAND. I have no authority to speak for the Committee on Foreign Relations. The distinguished chairman of the committee is on the floor, and he is the one who has authority to speak for that committee. I will say that the language suggested could be taken to conference, and perhaps in conference there might be a further modification made. Certainly the language would remove the major objection, that the amendment would create a separate board which would conflict with the responsible heads of the State Department.

I am highly sympathetic with the objective of the proposal. I believe the Senator from Illinois will agree that there have been a number of us on both sides of the aisle who, like himself, have been vitally interested in the people who find themselves enslaved behind the Iron Curtain.

I certainly believe it is important that we hold out to them the hope of freedom, and I am convinced that ultimately they will again be free.

Mr. CLEMENTS. It was only in the hope that something might be done in this field and that something might be accomplished along this line that I offered the suggestion. I did not know whether it would be acceptable to the Committee on Foreign Relations. It appeared to me that it offered more hope than anything else which had been suggested in the past.

Mr. DOUGLAS. In view of the opposition of the State Department and of the administration and the opposition of those under the influence of the State Department, I am reluctantly compelled to accept the proposal which has been transmitted by our friend, the majority whip. I will say that frequently the term "take it to conference" means that a

proposal is taken to conference and that it ends there. It is similar to the way Richard III took the two young princes into the Tower of London and then strangled them with his own hands. I commend this child to the conferees, in the hope that it may be treated better than were the two young princes in the Tower of London. Let not the State Department or the administration strangle this child in the dark inner recesses of the conference room.

Mr. CLEMENTS. Do I understand correctly that the Senator from Illinois is willing to modify his amendment accordingly?

Mr. DOUGLAS. I will accept it. I will not modify it with my own lips. I will accept the modification reluctantly.

My own lips will not pronounce that modification.

Mr. BENNETT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Utah will state it.

Mr. BENNETT. May an amendment be modified by anyone but the Senator who offers the amendment?

Mr. DOUGLAS. I will accept the modification.

The PRESIDING OFFICER. The Chair states that the amendment may be amended, but not modified by another Senator.

Mr. DOUGLAS. I accept the amendment.

Mr. CLEMENTS. The Senator from Illinois accepts it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Illinois, as modified.

Mr. KNOWLAND. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HUMPHREY of Minnesota. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. HUMPHREY of Minnesota. Mr. President, I wish to thank the Senator from California for his splendid cooperation.

Mr. KNOWLAND. I thank the Senator.

Mr. President, I yield back the remainder of our time.

Mr. CLEMENTS. I yield back the remainder of our time, also, Mr. President.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS], as modified, to the committee amendment.

The amendment, as modified, to the committee amendment was agreed to.

Mr. McCARTHY. Mr. President, I offer the amendment which, I send to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Wisconsin.

The CHIEF CLERK. On page 38, between lines 18 and 19, it is proposed to insert the following:

(e) Add the following new section:

"Sec. 515. Suspension of aid to countries shipping strategic materials to the Soviet bloc: Notwithstanding any other provision of law, in any case in which any foreign country exports or knowingly permits the

exportation, to the Union of Soviet Socialist Republics or any of its satellite countries (including Communist China, Communist North Korea and Communist North Indochina), of articles or commodities, shipment of which to the Soviet bloc is embargoed, or would be refused export licenses, by the United States in the interest of national security, no assistance under this act or under any other act providing financial assistance to foreign countries shall be furnished to such country during the 12-month period following the date of such exportation, or the date on which knowledge thereof is received by the officer or agency administering such assistance, whichever date is later."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] to the committee amendment.

Mr. KNOWLAND. Mr. President, will the Senator from Wisconsin yield?

Mr. McCARTHY. I yield.

Mr. KNOWLAND. I take it that the Senator's amendment is different from his amendment identified as "6-28-56-B."

Mr. McCARTHY. That is correct.

Mr. President, I ask that the yeas and nays be ordered on my amendment.

Mr. KNOWLAND. Mr. President, we have not yet had an explanation of the Senator's amendment. After we have had an opportunity to hear his explanation of the amendment, the Senator can then ask for the yeas and nays. Otherwise, if he wanted to modify his own amendment, he might find himself foreclosed from doing so.

Mr. McCARTHY. I may say to the distinguished minority leader that I do not have an extra copy of my amendment here, but I shall send to my office immediately and get some.

Mr. President, before commencing a discussion of the amendment which was just read by the clerk, I ask unanimous consent to have printed in the RECORD a statement concerning the amendment which I submitted the other day.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR McCARTHY

We are all, of course, extremely happy about the release of the 15 American airmen who were held prisoner by the Chinese Communists. Unfortunately, however, the impression has grown that the prisoner of war situation in China is a closed account. The public has been led to believe that, while there may be some American civilians in China, all of our Korean prisoners of war have been released. This is entirely untrue.

Last Spring the Senate Subcommittee on Investigations reported that there were 481 servicemen who are known to have been alive and in Chinese prison camps and still unaccounted for. Last month Defense and State Department officials set the current figure at 450.

As we all know, the Chinese Communists were obliged, under the Korean armistice agreement, to release all prisoners of war as of September 1953. Nearly 3 years have now elapsed and the Communists have still failed to keep their word with respect to 450 American men.

During last year's hearings, the Senate Subcommittee on Investigations learned from top State and Defense Department officials that our Government had done nothing toward obtaining the release of the



prisoners beyond requesting the United Nations, through its Secretary General, to make representations to Peiping. Since that time, we know that our Ambassador to Czechoslovakia, Mr. Alexis Johnson, has been conducting negotiations with the Chinese in Geneva, and that as a result, 15 uniformed men have been freed. Beyond this, however, we know only that the balance are being held in Communist prisons or are dead.

Perhaps our Government is making efforts to release the remaining 450 prisoners. Perhaps our Government is still doing nothing. But if efforts are being made, they have produced no results. There are still 450 American men in Communist prison camps. How much brainwashing and brutality they are subjected to, we, of course, do not know. I believe that, under the circumstances, Congress has no alternative but to take the matter into its own hands.

I believe Congress must now do what I have urged it to do for the past 2 years—namely, cut off aid to any foreign country that trades with Communist China while Americans are being held prisoners in China. The Chinese need Western trade and they are getting plenty of it now, especially with the British. If this trade should be halted, I think there is a good chance that the Communists will release the prisoners. If they fail to do so, we will then have to take sterner measures.

I do not believe that any Member of the Congress or of the executive branch feels easy with himself knowing that our Government has abandoned its fighting men. How can we justify ourselves in appropriating for foreign countries a billion dollars here and a billion there, supposedly for the purpose of fighting world communism, when we neglect to lift a finger to protect our fighting men—when we make no attempt to free those American men who have undergone a loss of personal liberty, all in the service of their country.

Moral cowardice is one of the explanations of the sad state of world affairs. It is one of the reasons other nations do not keep their agreements with us. They don't have to. They can get away with deceit, treachery, and broken promises. They can insult us and then thumb their noses. What respect can you have, after all, for a nation that abandons its fighting men after a war is over? The world must know that when an American soldier goes overseas, he is backed by the entire strength and power of the United States of America.

Those 450 servicemen now languishing in Communist prisons have served their country well. They have done their duty as patriotic Americans. I am a believer in the perhaps antiquated notion that the Nation owes the same duty to the soldier that the soldier owes to the Nation.

For that reason, I have offered an amendment which provides that we cut off all aid to any nation which is shipping goods to Communist China while it holds American prisoners.

Mr. McCARTHY. Mr. President, I believe that the amendment that I am introducing this afternoon is an absolute must for this year's foreign aid bill in the light of the recent investigation of East-West trade by the Senate Subcommittee on Investigations. My amendment provides that no foreign aid funds be made available to any nation that ships strategic war materials to the Soviet bloc.

The East-West trade investigation, which began 3 years ago under my chairmanship and has been continued under the chairmanship of the Senator

from Arkansas [Mr. McCLELLAN] revealed that one of the reasons the Communists are moving ahead of us in the arms race is that the free world is lending a helping hand. Our investigation showed, to be perfectly blunt about it, that American taxpayers are subsidizing the construction of the Communist war machine.

The proof for this charge is very easy to state: countries, such as Great Britain, which has been helped by billions of dollars of American aid, have been selling highly strategic war materials to the Soviet Union—materials that are indispensable for the production of the modern weapons of war.

Moreover, our allies are engaging in this strategic war trade with the express permission of the Government of the United States.

Our committee has discovered that in the summer of 1954, our Government made a secret trade agreement with our allies. This secret agreement—which was made at the behest of the British—permitted our allies to ship to the Soviet Union approximately 200 highly strategic items that had previously been under strict embargo.

Here are some of the items—machine tools and metals—that were taken off the embargo in 1954:

Horizontal boring machines: These machines, which cost up to half a million dollars apiece, are used to make tanks, aircraft and atomic reactors for *Nautilus*-class submarines.

Precision boring mills, which are used in making radar control mechanisms, engines for jet airplanes, and guided missile components.

Vertical boring mills: These machines are used for making jet engines, guided missiles, turbines, and aircraft armament.

Mr. President, I may say that this is all a matter of sworn testimony.

Hydraulic and mechanical presses, which are used for making aircraft parts and ammunition shell casings.

Dynamic balancing machines: These machines are used for guided missile engines, gyros and radar control mechanisms.

Surface grinding machines, which are used in making jet engines, guided missiles and radar.

Copper wire, which is indispensable in making engines for jet bombers.

While we are on the subject of copper, let me illustrate how American tax dollars end up paying for weapons that are designed to destroy us. The committee learned that the American Government is financing British copper mining operations in Rhodesia. Thus, with the benefit of direct American aid, the British take the copper out of the ground in Rhodesia, send it to Britain where it is processed into highly strategic copper wire, and then sell it at a British profit to the Communists. Over the past 2 years, Great Britain, along with other countries receiving American aid, shipped over 250 million pounds of copper wire to the Soviet Union. Is it any wonder that the Russians are turning out vast numbers of jet bombers when

our allies give them the materials that are indispensable for building those bombers?

But this is not all. Our allies are also sending the Communists aluminum, magnesium, and nickel alloys. These are some of the most strategic materials imaginable. And the list goes on and on. There are, as I said before, approximately 200 strategic items that have been decontrolled. Let me give just one more example, perhaps the most shocking of all. Our so-called allies—countries that live off the American taxpayer—are shipping to the Communists power generators up to 60,000 kilowatts. These generators make fissionable material for atom and hydrogen bombs.

When we permit our allies to ship strategic materials to the Soviet Union, we give far greater benefits to the Communists than if we sold them actual weapons of war. If we sent them ammunition, the ammunition could be shot back at us only once. But when we send them machine tools and strategic metals we give the Communists the means to make destructive weapons over and over again.

It was brought out at our hearings that the Communists need only to buy one of these machine tools—say, the half a million dollar horizontal boring mill—and, by imitating that model, can make dozens more for factories all over the Soviet Union. If the free world possesses one decisively superior weapon, it is our peerless industrial know-how. That weapon we are now handing to the Communists on a silver platter.

I contend that it is hopeless idiocy for the United States, on the one hand, to subsidize a foreign-aid program designed to fight world communism, and on the other, to permit countries receiving that aid to help build the Communist war machine.

How did this incredible situation come about?

The Battle Act of 1951 provided that no nation that shipped strategic materials to the Soviet bloc should receive American aid. However, the Battle Act was circumvented in 1954 by the then Battle Act Administrator, Mr. Harold E. Stassen. Mr. Stassen bypassed the provisions of the act by deciding arbitrarily that certain highly strategic materials, such as those I have mentioned, were not in fact "strategic" for the purposes of allied trade with the Communists.

There is, however, a curious aspect of the 1954 decontrol decision: it applied only to allied exporters. American exporters were denied the opportunity to share in the handsome profits from the Communist trade. The materials I have mentioned are still embargoed as regards American trade with the Soviet bloc. Such materials are considered "non-strategic" for purposes of allied trade. But for purposes of American export, they are considered highly strategic.

My amendment seeks to eliminate this senseless distinction. It aims to prevent our so-called allies from shipping to the Soviet bloc materials that we consider so strategic as to make American shipment of them to the Communists a



threat to our national security. The amendment provides that no nation that ships strategic materials to the Communists shall receive any of the funds authorized by this act for a period of 12 months following the date that American officials responsible for administering our aid program receive knowledge of such a shipment.

This is surely a place where Congress must step in and correct the unwise policies of the executive branch. The loophole in the Battle Act, which has been so cynically exploited by certain appeasement-minded officials in the bureaucracy, must be closed by Congress.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. McCARTHY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The time taken by the quorum call will be charged to the time of the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, in view of the fact that I am asking for the yeas and nays on my amendment, I ask unanimous consent that the time for the quorum call not be charged to my time on the amendment.

Mr. CLEMENTS. Mr. President, will the Senator from Wisconsin request the yeas and nays again?

Mr. McCARTHY. Yes. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Does the Senator from Wisconsin ask unanimous consent that the yeas and nays be ordered on his amendment?

Mr. McCARTHY. Mr. President, I ask unanimous consent that the yeas and nays be ordered on my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the yeas and nays are ordered on the amendment of the Senator from Wisconsin.

Does the opposition desire to use any time?

Mr. McCARTHY. If the opposition does not desire to use time, I will yield back the remainder of my time.

Mr. KNOWLAND. I suggest the absence of a quorum.

Mr. CLEMENTS. Mr. President, will the Senator from California withhold his suggestion of the absence of a quorum?

Mr. KNOWLAND. Yes.

Mr. CLEMENTS. Is there not some Senator on the side of the aisle where the Senator from California sits, who would like to use some time at present?

Mr. KNOWLAND. There may be when we have secured a larger attendance of Senators.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection to the time taken by quorum call being charged to neither side? The Chair hears none, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, the amendment which is now before the Senate is the one offered today by the distinguished junior Senator from Wisconsin [Mr. McCARTHY]. He had previously offered an amendment, which was printed. This amendment, however, slightly changes the concept, though materially it covers the same subject.

For the benefit of Senators who were not present when the amendment was read, I think it should be read at this time. The amendment is as follows:

On page 38, between lines 18 and 19, insert the following:

"(e) Add the following new section:

"Sec. 515. Suspension of aid to countries shipping strategic materials to the Soviet bloc: Notwithstanding any other provision of law, in any case in which any foreign country exports or knowingly permits the exportation, to the Union of Soviet Socialist Republics or any of its satellite countries (including Communist China, Communist North Korea and Communist North Indochina), of articles or commodities, shipment of which to the Soviet bloc is embargoed, or would be refused export licenses, by the United States in the interest of national security, no assistance under this act or under any other act providing financial assistance to foreign countries shall be furnished to such country during the 12-month period following the date of such exportation, or the date on which knowledge thereof is received by the officer or agency administering such assistance, whichever date is later."

Mr. President, I fully recognize that the distinguished Senator from Wisconsin has long been concerned with the menace of international communism, and is seeking to meet a problem which does exist in the world today. I would be less than frank if I did not say to the Senate that I have not been satisfied with the attitude of some of our allies and associates who have joined with us in the collective-security system for the preservation of a free world of freemen, and some of those with whom we have dealt with and helped abundantly to rehabilitate themselves from war damage, insofar as they have permitted shipment of materials to the Soviet bloc and the satellite states associated with the Soviet Union.

But, Mr. President, I question very much, as a matter of good legislation, whether the amendment, with all its complexities, and without an adequate chance to have it examined by the proper committee of the Senate, is the way of meeting the problem. I frankly do not know what all the ultimate repercussions of the amendment might be. I recognize that the Battle Act has some loopholes in it. I think it is entirely possible that the Congress, in its judgment, may want to strengthen the provisions of the Battle Act.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Wisconsin.

Mr. McCARTHY. I may say to the very able Senator from California—and that term is not used lightly when I use it in reference to the Senator from California—that my amendment is very simple. It merely provides that if the

United States embargoes certain materials and refuses export licenses for materials which it considers to be of a strategic character, the same rule shall be applied to our allies whom we are subsidizing. In other words, if an American merchant cannot ship machine tools to Russia, my amendment provides that a British merchant cannot ship machine tools to Russia while Britain is getting our aid. If they are not receiving our aid, they can do it. They can choose between the two. They can say, "We will ship war materials to Russia, without receiving American aid," or they can say, "We will not ship strategic war materials, and get American aid."

All I say is that we should apply the same rule to our allies as we apply to the United States. I think that is reasonable. It is pretty hard to get around the reasonableness of it.

Mr. KNOWLAND. I think I understand the purpose of the distinguished Senator, but I believe we face a problem when it comes to dealing with sovereign nations with which we are associated. We have laid down certain criteria in the Battle Act. Personally, I think perhaps we have been too lenient in some cases, under some of the provisions of the act, with respect to what might be shipped to certain countries. At any rate, it is done under a statute which was enacted by the Congress. Perhaps we may have given too much discretion to the President. That is entirely possible.

Perhaps we might be justified, as a matter of policy, in narrowing that field of discretion. But I submit we are beginning to trespass on what is dangerous ground when we say somewhat arbitrarily, perhaps, to a sovereign nation with whom we are affiliated in the free world that she must follow exactly the same list, not as arrived at by negotiation, but as adopted by the American Congress, regardless of whether it was in accord with the legislative intent of the British Parliament or French Parliament or of other nations associated with us—we would tell them that with regard to this question they would have to take our "ticket."

As I said at the beginning, I would be less than frank if I did not say that in times past, under the last administration, and under this administration, we perhaps have not bargained hard enough with our allies to get them to tighten up their lists. Perhaps we should get them to do that. I hope the present administration, indeed any administration, will follow through to see that strategic materials of the type the Senator has mentioned do not go to the Soviet bloc. At the same time, I believe there has been a case made that articles which may appear on the Battle Act list may not be considered by other countries to be strategic, or at least for them they received in return materials which were equally as strategic or more strategic. In that event there may be room for President Eisenhower or any other President of the United States to have discretion in the matter. That is the only point I make to the Senator today.

Mr. McCARTHY. Mr. President, will the Senator from California yield?



Mr. KNOWLAND. I yield.

Mr. McCARTHY. Let me say that I have not been blaming the President in this matter. For example, when Mr. Stassen—who had the power to do so—revised the Battle Act list, he submitted a report to the Congress, and I assume he submitted the same report to the President. The McClellan committee, which I think has been doing an outstanding job on this matter, developed the fact that the report was completely false. That being true, the President could not be held responsible for it.

For example, the report—and all this is a matter of record—stated, first, that we were still maintaining an embargo on the shipment of copper. However, we found that 250 million pounds of copper wire used largely for the production of jet planes, were shipped from American mines to Communist Russia, and the transaction was financed by American money. The same is true in the case of railroad tracks, trucks, and other equipment. The committee developed those facts. Many other materials were shipped to Communist Russia; and those materials included aluminum and machine tools—including horizontal and vertical presses—which are used to produce such things as airplane wings.

Mr. KNOWLAND. Let me say that, of course, the Senator from Wisconsin sat in on some of the hearings. All I know is that if a member of my staff gave me a false official report, he would not be a member of my staff 10 minutes thereafter. If an administration official gave me a false report, if I had my way he would no longer retain his job in conducting the affairs of the Government.

Mr. McCARTHY. Mr. President, I yield 5 minutes of the time available to me to the Senator from California so that I may ask him another question.

Mr. KNOWLAND. Very well.

Mr. McCARTHY. I should like to point out to the able Senator from California that before the Appropriations Committee we were talking to the man who administers our foreign aid. He is the successor to Harold Stassen. He seems to be a very nice fellow; and he makes the decisions, in large part. I asked him about the shipment to Communist countries of horizontal and vertical drill presses, which perhaps weigh up to 100 tons, and cost up to half a million dollars. I asked him whether he thought it was a great mistake to send those presses to countries which are Communist. Does the Senator from California know what the witness answered? He held his hands about 12 inches apart, and then asked, "What can little presses like that do to help any Communist country?"

The reports which have been submitted are completely inadequate. I should like to ask whether the Senator from California agrees with me that it is a serious mistake for us, who control the pursestrings, indirectly to build up the Communist machine—which is what we do when we appropriate funds to be given to countries which are sending to Communist Russia all the machine tools and other equipment that is necessary for the building up of a war machine. I wish

the Senator from California would give some thought to that point.

Mr. KNOWLAND. I have given the matter a considerable amount of thought.

Mr. McCARTHY. Of course I realize that; I meant to say that I wish the Senator from California would give additional thought to it.

Mr. KNOWLAND. I can say to the Senator from Wisconsin that I am not in favor of building up by one iota the war potential of the Communist world. I do not have confidence that the smiles of Khrushchev and Bulganin indicate any long-term change in their strategy. I think their strategy for the destruction of human freedom is the same as was the Communist strategy under Stalin and Lenin. I think Khrushchev and Bulganin are temporarily zigging, instead of zagging; I think a game of musical chairs for power may be going on in the Kremlin. But, inasmuch as Beria dropped out, after someone pulled the chair from under him, it may likewise be that someone will pull the chair from under Khrushchev and then he will find that he has no place to put himself. Nevertheless, in Communist Russia the dictatorship continues and the policy continues; and I see no indication—regardless of the beliefs which may be held elsewhere—that the Communist tiger has now become a milkfed pussy cat.

THE WHERRY-MALONE JOINT RESOLUTION—  
PREVENT FINANCING EUROPE'S TRADE WITH  
COMMUNIST COUNTRIES VERSUS THE BATTLE  
ACT

Mr. MALONE. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. MALONE. Let me say to the distinguished senior Senator from California that around 1949 or 1950 or 1951, when the Senate was debating billions of dollars of foreign aid for European and other countries, the Wherry-Malone joint resolution was passed prohibiting such aid to any country trading with Communist countries. Does the Senator from California remember that resolution?

Mr. KNOWLAND. I do.

Mr. MALONE. Immediately after that measure—the Wherry-Malone joint resolution—was passed, the administration rushed in with the so-called Battle Act which the State Department maintained, through a flood of propaganda, was designed to stop aid to such nations trading with foreign countries.

Mr. President, what the Battle Act actually did was to repeal the Wherry-Malone joint resolution to again permit our own taxpayers' money to be paid to foreign countries that were trading and aiding Communist countries.

Whereas the Wherry-Malone joint resolution prohibited such payments giving such countries a choice between receiving aid from us and trading with Communist nations, the Battle Act encouraged foreign aid payments to countries trading with Communist nations purporting to leave the decision to the President. The American people were told through a great flood of propaganda that the Battle Act would stop such payments to countries trading with Commu-

nist nations—whereas, as a matter of fact, the Battle Act immediately repealed the Wherry-Malone resolution and encouraged such payments and trade.

Mr. KNOWLAND. That was under the Truman administration.

Mr. MALONE. Yes; but I am discussing the matter now, because it is still the principle that counts and it is worse for us to allow payments of taxpayers' money to countries trading with the Communists because we should know better.

Mr. KNOWLAND. I merely wished to establish the sequence of events.

Mr. MALONE. I realize that.

NATION HAD TO CHOOSE

Inasmuch as the Senator from California remembers the incident, let me point out that under the Wherry-Malone resolution, a nation had to choose between receiving aid from the United States and trading with Communist nations. But immediately the Wherry-Malone joint resolution passed, the Battle Act—which was publicized as one which would stop trading with Communist nations without mentioning that it was already stopped—and actually encouraged such trading to continue; and, as everyone knows, it has continued from that date to the present time—and is now on the increase.

Last year, I spent 2½ months behind the Iron Curtain; and there it was possible to see the American made machinery, including lathes, drill presses, machine tools and industrial equipment. Therefore, we see that the Battle Act, as it has been administered, does not prevent our taxpayers' money from going to countries trading with Communist nations.

Mr. President, let me say that I shall vote for the pending amendment because it will again retard the payment of money of the taxpayers of the United States to European or Asiatic nations which engage in trade with Communist nations.

WORLDWIDE SOCIALIST SCHEME

I want to remind the senior Senator from California that I have always opposed the division of the American taxpayers cash and markets with the nations of the world—both constitute a grandiose world Socialist scheme of division of our wealth with the foreign countries of the world.

The 1934 Trade Agreements Act was the beginning of a scheme to substitute foreign cheap labor goods for American-made products thus depriving American investors and workingmen of the American market.

Mr. KNOWLAND. Mr. President, let me say that certainly the Senator from Nevada has been consistent in his position regarding that matter; and I respect him for his position and his opinions, which he has held for some time.

Mr. MALONE. Mr. President, I appreciate that statement by the senior Senator from California.

Let me say that in my opinion it is utterly idiotic to use the American taxpayers' money to build up competition by foreign-produced goods with goods being produced in the United States—



which, of course, is what was done under the first Marshall plan in 1948. Under such a procedure, our American markets are dominated by foreign cheap-labor goods—and our wealth is divided through cash outlays.

I shall not go into detail regarding that matter at this time. But I arose to remind this body that through the Wherry-Malone amendment we did make it impossible for American financial aid to be paid to countries which were engaging in trade with Communist countries; and as a result of the Wherry-Malone resolution, foreign countries had to choose between receiving aid from the United States or trading with such areas.

But then the Battle Act was proposed and passed as already described, on the basis of the misrepresentation to the American people that it would prevent such trade.

However, instead of preventing such trade it is now amply demonstrated what we knew would happen, that such trade has been continually on the increase.

Mr. KNOWLAND. I thank the Senator from Nevada for his remarks.

At any rate, Mr. President, I think the amendment will have more far-reaching consequences than any Member of the Senate can predict at the present time. I think it may interrupt a good deal of trade which it would be wise to interrupt, although I fully agree with the Senator from Wisconsin that shipments of vertical and horizontal drill presses and boring machines and copper wire were inexcusable; and if the executive branch of the Government has not made protests against shipments of that sort, I think it obvious that the strongest possible protests regarding such shipments of strategic materials should have been made, and should have been followed up, by the executive branch of the Government of the United States. Despite that fact, I think the Senator's amendment is too far-reaching, and for that reason, at least, I cannot support it.

Mr. President, I yield 3 minutes to the Senator from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. President, I am troubled by certain features of the amendment offered by the Senator from Wisconsin, although I find myself in sympathy with what he is driving at. We would all be most reluctant to do anything to aid Red China. The amendment of the Senator from Wisconsin provides that in any case in which any foreign country exports to the Soviet Union or any of its satellites, including Communist China, North Korea, and Communist North Indochina, articles the shipment of which to the Soviet Union is embargoed by the United States, no assistance may be furnished to such country under this act. My feelings toward Communist China are well known. Our regulations definitely embargo anything going to Communist China. We forbid the shipment of any item to Communist China.

The amendment of the Senator from Wisconsin would have the effect of forbidding any country from receiving our aid if it shipped anything—even baby powder—to Communist China. That

means that we might as well give up our entire aid program.

Mr. McCARTHY. I think the Senator has misread the amendment. It provides for discontinuance of aid if a country ships any material which is embargoed by the United States. In other words, I would apply the same rule to our allies that we apply to our own merchants.

Mr. SMITH of New Jersey. We embargo everything to Communist China. We do not ship anything to Communist China.

Mr. McCARTHY. We do not ship to Communist China. However, we do ship some materials to the satellite nations.

Mr. SMITH of New Jersey. That is true. Anything that is shipped to Communist China by any of the countries receiving our assistance would be covered. They could not ship anything to Communist China.

Mr. McCARTHY. I have an amendment in regard to Communist China, which provides that so long as they hold American prisoners—

Mr. SMITH of New Jersey. That is a different subject.

Mr. McCARTHY. No aid can be given by us to anyone who ships anything to Communist China. According to the testimony before the investigating committee, the Chinese Reds still have 450 of our uniformed men as prisoners.

Mr. SMITH of New Jersey. I am aware of that, and we are terribly troubled by that situation. But we are discussing the particular amendment of the Senator from Wisconsin, which provides that if any country ships anything to Communist China, aid will be cut off.

Mr. McCARTHY. That is correct.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. KNOWLAND. I will yield 3 additional minutes to the Senator from New Jersey.

Mr. McCARTHY. Mr. President, I took some of the time of the Senator from New Jersey. I shall be glad to yield him time.

Mr. SMITH of New Jersey. Let me say a word about the Battle Act to try to clarify our thinking.

The Battle Act is designed to allow trade with the Soviet Union in those cases where trade helps our allies more than it helps the Soviet Union. If one of our allies ships a small amount of goods to the Soviet Union—not a shipment of arms but a shipment of something which is regarded as strategic under the Battle Act—and if that country gets back something from the Soviet bloc of higher strategic value such as manganese or other valuable minerals it is the policy of the Battle Act that the President should be permitted to weigh the relative advantages to the free world of such trade and to cut off aid if the net advantage is to the Soviet bloc.

East-West trade controls depend on cooperation of our allies. Without such cooperation there can be no effective controls. If the President has no discretion to negotiate with our allies on such controls there will be no controls.

This amendment would undoubtedly result in a great deal less effective East-West trade control than we have under the present Battle Act.

This amendment would result in less effective East-West trade control than we have under the present Battle Act. As I said before, if we forbid anything going to Communist China, it means that under the Senator's amendment every one of our allies with which we are now dealing will be cut off, and we might as well not have any Mutual Security Act at all. So I feel that I must oppose the amendment, although I am entirely in sympathy with what the Senator from Wisconsin is driving at. We must protect ourselves from the building up of Communist China while she is in her present frame of mind, and we must prevent strategic war materials from getting into certain areas.

Mr. McCARTHY. Mr. President, I yield myself 3 minutes.

I should like to say one thing in connection with the statement by the Senator from California [Mr. KNOWLAND]. The last time he and I differed on the floor of the Senate I read in the newspapers the next day that he and I had a fight. I wish to make it clear that there is no Senator whom I admire more than I do the Senator from California. While I differ with him vigorously, I think he is one of our most outstanding Senators, and I hope no one will refer to this difference as a fight.

Let me say to the able Senator from New Jersey that my amendment would prevent any of our allies from shipping to Communist China any material which we think our merchants are not entitled to ship to China. It would merely lay down the same rule for the people who are subsidized and supported by us as we lay down for our merchants in the United States. If it is sound for us to follow that rule, I maintain that it is sound for us not to support a nation which ships what we call strategic materials to Communist countries.

While the able Senator from Arkansas [Mr. McCLELLAN] was conducting an investigation into the shipment of materials to China, the Secretary of Defense wrote a letter stating that any material shipped to Communist China, regardless of what it was, increased her war potential. I do not think we should be indirectly helping Red China, while she is holding 450 of our uniformed men. That is a subject on which I feel very strongly.

There was a time when every uniformed man who was sent overseas from the United States carried all the prestige and power of this country on his shoulders. Now we not only abandon them, but we indirectly support the economy and the military might of the country which is holding them prisoner.

When the Senator from New Jersey says that this amendment would prevent the shipment of anything to Red China, he is correct. As to the other satellite countries, I would apply only the rules which apply to ourselves. For example, we are shipping a great amount of goods to Yugoslavia. I would not prevent our allies from shipping the same type of material there; but when we say that



something is a strategic war material, we should not indirectly furnish it to our potential enemies.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. McCARTHY. I will yield 1 more minute to myself. I am completely in sympathy with, and wholeheartedly approve some of the things which would be accomplished by the mutual aid bill—for example, military aid to Formosa.

Mr. SMITH of New Jersey. That might be cut off, under the Senator's amendment.

Mr. McCARTHY. I favor aid to Pakistan and South Vietnam. If we continue to give aid to Yugoslavia, when Yugoslavia says it favors Leninism—which, as the Senator knows, would mean the destruction of the United States and Great Britain by violent revolution—and if we continue to give aid to allies who are shipping war materials to the Communist bloc, I cannot conceivably, in good conscience, vote for the bill.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. SMITH of New Jersey. Mr. President—

Mr. McCARTHY. Mr. President, I took some of the Senator's time. If he would like additional time, I will yield to him.

Mr. SMITH of New Jersey. Will the Senator yield 2 minutes to me?

Mr. McCARTHY. I yield 2 minutes to the Senator from New Jersey.

Mr. SMITH of New Jersey. The Senator spoke of strategic materials. The United States embargoes the shipment of everything to Red China. The Senator's amendment provides that if any other country sends anything in there which we have embargoed, there will be no aid. That means that we might be forced to cut off aid to Korea, Formosa, and Vietnam. We would have to cut off aid all over the world.

Mr. McCARTHY. Oh, no.

Mr. SMITH of New Jersey. Has the Senator examined the situation?

Mr. McCARTHY. We are talking about aid to Communist countries, not aid to South Korea, Vietnam, and Formosa. The amendment provides that when subsidized countries ship to Communist countries goods which we have embargoed, so far as America is concerned, they will not receive American dollars. The amendment has nothing to do with shipments to South Korea, Vietnam, Pakistan, or Formosa.

Mr. SMITH of New Jersey. It would affect any country where anything may be getting through to Communist China, as I understand.

Mr. McCLELLAN. Mr. President, will the Senator yield me a few minutes?

Mr. McCARTHY. Certainly. How much time does the Senator wish? How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Wisconsin has 9 minutes remaining.

Mr. McCLELLAN. I will need only a few minutes.

Mr. McCARTHY. I yield 5 minutes to the Senator from Arkansas.

Mr. McCLELLAN. I shall probably not need all of it. While I have not had an opportunity to study thoroughly the amendment, but only to glance at it, from a technical aspect, and therefore I am not quite sure just what the amendment would do, I know that the adoption of the amendment would clearly indicate the sentiment of the Senate, that we are opposed to the inconsistent position we are in today of providing troops and military aid to countries which are our allies, but who in turn are aiding the enemy by selling and shipping to the enemy strategic materials which are essential to the enemy's war effort and the enemy's objective of world conquest. It is an inconsistent position in which we find ourselves. If the amendment is adopted, the conferees can do the technical work which may be necessary to be done. However, a vote for it now and the adoption of the amendment will serve notice that the elected representatives of the people of this country are tired of this duplicity, and want to put an end to it.

I cannot conceive that we owe any obligation of aid, either economic or military, to any country which engages in the sale of war material or the essentials which are required in the building of a war machine against the very nations we are endeavoring to fortify to resist the enemy. I hope the amendment will be adopted.

Mr. NEUBERGER. Mr. President, may I ask some questions for information about this proposal?

Mr. McCARTHY. Certainly.

Mr. NEUBERGER. Perhaps early in the debate the question I am about to ask was answered. If so, I still hope the Senator will enlighten me. Is there a list in existence or any record or information as to the countries which are receiving aid under the mutual security program from the United States that are shipping to Communist China materials which are classified as strategic materials?

Mr. McCARTHY. I would not say that there is in existence any detailed list, except that the Commerce Department and the State Department apparently have information which we have difficulty getting from them. The McClellan subcommittee has had difficulty in trying to get that information. However, it was freely admitted that they knew what was being shipped.

Mr. McCLELLAN. Mr. President, will the Senator yield at that point?

Mr. McCARTHY. I yield.

Mr. McCLELLAN. There is certainly a movement underway and pressure is being applied to relax controls on Red China, so that Red China may receive from our allies the same strategic materials which are now being sold to the Communist bloc countries of Europe.

Mr. McCARTHY. The Senator is certainly correct about that.

Mr. NEUBERGER. Is there any place where there has been made available reliable information as to which countries are engaging in the trade of strategic materials with Red China?

Mr. McCARTHY. Oh, yes; our committee developed that rather thoroughly. It is all in the evidence. I cannot call

on my memory for a particular list. Great Britain has been shipping such material. France has been shipping such material. I believe the United Kingdom is the greatest offender in that regard. Many other NATO countries have done so. I would not wish to rely on my memory for that information.

Mr. NEUBERGER. I thank the Senator.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. ERVIN. I should like to ask the Senator from Wisconsin if the evidence of technical experts before the Permanent Subcommittee on Investigations did not disclose that a number of nations to which we are furnishing aid, so as to make them militarily strong for the purpose of offering a common defense with us against the Soviet bloc, are sending to the Soviet bloc machine tools which are used for the manufacture of munitions and airplanes and all kinds of weapons? Furthermore, did not those witnesses in some instances testify that it would be better, perhaps, for us to ship the munitions to the Soviet bloc countries, instead of sending them the tools with which they can multiply beyond measure their munitions.

Mr. McCARTHY. The Senator is correct. One of the witnesses from the Pentagon, I believe, testified that—and I can quote his testimony almost verbatim—if we sent ammunition, the ammunition could be used only once; but, if we shipped them machine tools, they could manufacture munitions ad infinitum.

Mr. McCLELLAN. Mr. President, will the Senator yield 1 minute?

Mr. McCARTHY. I yield 1 minute to the Senator from Arkansas.

Mr. McCLELLAN. I have checked with the staff of the committee, and the latest information we have regarding that trade with Red China from the western countries is one million tons a month. That tonnage goes into Red China's ports. More than 500,000 tons of that material comes from Great Britain. About 75 percent of the vessels going into Red China ports fly western flags, so to speak.

Mr. ERVIN. Mr. President, will the Senator yield further?

Mr. McCARTHY. I shall yield in a moment. Before I yield I should like to say that I believe the Senate owes an enormous debt of gratitude to the chairman of the subcommittee, the Senator from Arkansas [Mr. McCLELLAN] and to the staff of the subcommittee, particularly Mr. Kennedy, for the extremely efficient and detailed work the staff has done in digging out this information.

I now yield to the Senator from North Carolina.

Mr. ERVIN. I will ask the Senator if our officials of Government, notably those from the Commerce Department, did not testify before the subcommittee that our allies who are getting aid from us are sending to the Soviet bloc countries materials and machine tools which our own Commerce Department embargoes and forbids American manufacturers to ship to Red China, on the ground that it is necessary to restrict such ship-



ments in the interests of national security?

Mr. McCARTHY. The Senator is absolutely correct. We have embargoed such shipments because it would endanger our national security if those materials were shipped to Red China. On the other hand those materials may be shipped to Communist bloc countries by our allies. I believe it was in August 1954, when Mr. Stassen went to the COCOM meeting and there agreed that these strategic materials could be shipped to all countries receiving our aid.

Mr. MANSFIELD. Mr. President, may I ask the Senator a question?

Mr. McCARTHY. Certainly.

Mr. MANSFIELD. I am trying to recall an item which appeared in the press, to the effect that Under Secretary of State Herbert Hoover made the statement that there was a certain amount of trade going on between Formosa and Communist China. Can the Senator give us information on that point? I do not recall the details.

Mr. McCARTHY. As I recall—and this is a matter of record, although I do not remember it was said in executive session or in an open hearing—Mr. Hoover made such a statement one day, but he returned the next day, and when he was questioned about it, he retracted the statement. He retracted it. He said he had been mistaken. He was very frank about it.

Mr. PASTORE. Will a Senator yield some time to me so that I may ask a question of the distinguished minority leader on this point?

Mr. JOHNSON of Texas. I yield such time to the Senator as he may require for that purpose.

Mr. PASTORE. What is bothering me at this point is the very serious implications with which we are confronted. I should like to address a question to the minority leader, because he is the representative of the administration in the Senate. In view of these implications, can the minority leader tell us—and I am not trying to be facetious or impertinent—whether the President of the United States is for or against this amendment?

Mr. KNOWLAND. I can say to the distinguished Senator from Rhode Island that the administration is opposed to the amendment.

Mr. PASTORE. I thank the Senator.

Mr. McCARTHY. I did not hear the Senator's reply.

Mr. KNOWLAND. I said the administration is opposed to the amendment.

Mr. McCARTHY. I may say to the Senator from California that the administration unfortunately has completely ignored the disturbing information brought out by the McClellan Committee and has paid no attention to it.

Mr. KNOWLAND. I will say to the Senator that I do not believe that statement is entirely accurate. I am not a member of the McClellan committee, but I have followed its proceedings very carefully in the newspapers and I have the highest regard for the distinguished Senator from Arkansas [Mr. McClellan] and for the other members of the committee. I was greatly disturbed

by some of the information brought to my attention relative to the shipment of copper and machine tools. I called on the highest levels of the Government, and it is still a matter which is having my personal attention. I am entirely dissatisfied with the things that some of our allies did, and I shall urge to the utmost of my ability, at least, that the strongest representations be made to prevent a repetition.

Mr. McCARTHY. I know the Senator from California is concerned about this problem, and I know he has been following it, but unfortunately nothing has ever been done about it. We have talked to officials of the executive department and have found that they know nothing about the testimony before the committee. The shipment of a horizontal drill press seems not to be important, but someone has to decide whether these things are strategic materials. They simply have not been following the testimony. They have been doing nothing. We talk to them, and they say, "We are concerned about it."

But here is an opportunity for the Congress to say that it shall end, that we will not finance the Communist war machine. There is no way on God's earth we can prove anything other than that we are building the Communist war machine. I think we should step in and call a halt, once and for all.

Mr. KNOWLAND. The Senator's amendment will not solve the problem. The Senator himself has pointed out—and I have to take his word for it, and I do—that apparently one of the chief offenders has been Great Britain.

Mr. McCARTHY. That is correct.

Mr. KNOWLAND. There have been times when the United States has made very considerable advances to Great Britain, for instance, the British-American loan. I remember when I first came to the Senate, in 1945 or 1946, that was an issue. But at the present time Great Britain is not receiving economic aid or military aid. It is true that we have certain bases in Great Britain, but they do not constitute a part of our mutual defense program which is contained in this bill. We cannot solve the problem, so far as Great Britain is concerned, with this amendment. Perhaps if this step had been taken in 1945 the situation would be different. The statement was made on the floor by either the distinguished Senator from Arkansas or the distinguished Senator from North Carolina that about 40 percent of the tonnage to Communist China was shipped in British bottoms. The problem will not be solved by this amendment.

I do not know whether the facts show what, if anything, Canada is shipping to Communist countries. Canada is not receiving aid from us. We have close relations with Canada and we have some bases in Canada. The adoption of this amendment would cut off all discretion on the part of the President of the United States. If the decision were mine, there would be no doubt in my mind about it, but the decision is not mine to make. There may be shipments of certain things which might be termed

strategic materials in return for which the President, in his discretion, might feel we were getting back strategic materials of greater importance to the free world.

Mr. McCARTHY. I am relying on memory, now, but I am positive it is correct that we have received no evidence of any strategic materials flowing the other way.

I wonder if the Senator from California will not agree with the able Senator from Arkansas [Mr. McClellan] that this amendment should go to conference. If it is not technically adequate, and it needs to be modified, that can be done in conference. I assume the able Senator from Georgia and the able minority leader will be among the conferees on the part of the Senate and they will have all the power they need to modify the amendment and change it.

The PRESIDING OFFICER. The Senator from California has 6 minutes remaining. The Senator from Wisconsin has 1 minute remaining.

Mr. SYMINGTON. Mr. President, will the distinguished minority leader yield?

Mr. KNOWLAND. I yield.

Mr. SYMINGTON. Why would it not be possible and advisable for the United States to ship behind the Iron Curtain the same things we approve our allies shipping behind said curtain? Evidence before the Government Operations Committee was conclusive that modern machine tools were being shipped from European countries to the Communists, and that the Russians were paying for them in such commodities as butter and wheat.

If we allow our allies to ship these goods, and at the same time we prohibit our own manufacturers from shipping to the countries in question, what we are really doing is providing foreign aid in blanket fashion, without the matter ever coming to the Congress.

Mr. KNOWLAND. The Senator has raised a very interesting point, a legal point and an economic point. I do not know that two wrongs can make a right, and that if our allies are getting away with it we can be getting away with it too. If our allies are being strengthened, we are doubly strengthening them.

In 1941 I was a newspaperman on the west coast, and I remember writing several editorials protesting shipments of scrap iron and oil to Japan practically up to the eve of Pearl Harbor. I thought that was a bad thing. I do not know whether we should compound the situation, so to speak, open our doors and send to Communist countries machine tools, vertical boring machines, and so forth. I admit that from an economic point of view, it does not make very much sense to foreclose the United States from that market while other nations are taking full advantage of the situation. It seems to me that is something which should be decided in the highest levels of the Government. In some very hard bargaining with our allies we should say, "Look. Either we are faced with a situation of danger to the free world, or there is no danger to the free world."



If there is danger, we are prepared to continue certain obligations under our mutual defense system and our collective security system. If there is real danger to the free world you should cease this trade. We expect you to cease it, and we expect you to do so now."

If the distinguished Senator from Missouri ever has the responsibilities of a high office I hope he will make that perfectly clear. I hope that our administration will make it perfectly clear. Whether there is a Republican or a Democrat in the White House, I hope he will make it clear. But regardless of whether the President in the White House is a Democrat or a Republican, we have to have some confidence in the man who occupies that position. I think he must have some discretion. World conditions change almost from day to day. I am concerned that the amendment which the Senator from Wisconsin has offered would tie the hands of the President completely in a situation which I think might be very detrimental, and it might not solve the problem with which we are all concerned.

Mr. SYMINGTON. My difference with the learned and excellent presentation the distinguished minority leader has just made is that the facts as developed by the Government Operations Committee, under the chairmanship of the able senior Senator from Arkansas, prove that, over a period of years, all this administration has done, and by careful planning on their part, has been to make it easier instead of harder for our allies to ship more and more strategic materials behind the Iron Curtain.

The more I listen to this foreign aid bill, the more I am convinced that what we are doing is giving a blank check to this administration. It would appear that under no circumstances do we want to criticize the activities of this administration in the field of foreign aid. The worst justification, or rather the worst effort toward any justification of a program that I have seen, is the effort, on the part of those in this administration who are handling this money, to justify agreements made with our allies in Paris and in this country to the effect that it is right for other countries in the free world to ship hundreds of millions of dollars of material behind the Iron Curtain, but at the same time saying it was and is improper for American companies to follow the same policy.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KNOWLAND. I thank the Senator from Missouri.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute on the bill to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. JOHNSON of Texas. I thought he had consumed his time.

Mr. MANSFIELD. Mr. President, I wanted to ask the minority leader, upon looking over the amendment, if it is true that the Japanese are carrying on commercial intercourse with Communist China today, and have carried it on during the Korean war, and that, therefore, the amendment would affect trade which,

I understand, has been in progress since General MacArthur's time.

Mr. KNOWLAND. I do not have any firsthand information on that point. That may or may not be an accurate statement. I think some trade has been going on.

Mr. MANSFIELD. In nonstrategic goods.

Mr. KNOWLAND. In nonstrategic goods. I doubt very much whether that trade has included any strategic materials, though persons may differ as to what items belong in a list of strategic materials.

During the Korean war, when the question of British trade came up, I suggested to the administration, and to the previous administration as well, that what we should do, when the British asked what should comprise a strategic list, was to say, "Let us take the British orders in council against imperial Germany in 1914. We will be satisfied with that."

Everything down to a stick of chewing gum was on that list, because it was felt that anything which built up the morale of imperial Germany helped the German war effort.

Mr. McCARTHY. I wish to call to the attention of the Senator from California what I think was a slight mistake in his statement that Great Britain was getting no aid from us. It is true that the bill does not provide any new aid; but it is also true that there is a very sizable amount of money which has been carried over from previous years, much of it unobligated, which is available to Great Britain. I simply wanted to correct the Senator's statement to that extent.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

All time on the amendment having expired, the question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY]. On this question the yeas and nays have been ordered.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. McCARTHY]. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from Kentucky [Mr. HUMPHREYS], the Senator from West Virginia [Mr. LAIRD], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Texas [Mr. DANIEL] is paired with the Senator

from Kentucky [Mr. HUMPHREYS]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Kentucky [Mr. HUMPHREYS] would vote "nay."

If present and voting, the Senator from Wyoming [Mr. O'MAHONEY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senators from Kansas [Mr. CARLSON and Mr. SCHOEPEL], the Senator from Iowa [Mr. MARTIN] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

I wish to announce the following pairs:

The Senator from Indiana [Mr. JENNER] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Kansas would vote "nay."

The Senator from Iowa [Mr. MARTIN] is paired with the Senator from Kansas [Mr. SCHOEPEL]. If present and voting, the Senator from Iowa would vote "nay" and the Senator from Kansas would vote "yea."

The result was announced—yeas 23, nays 60, as follows:

#### YEAS—23

Barrett	Ellender	McCarthy
Bible	Ervin	McClellan
Bricker	Frear	Symington
Bridges	Goldwater	Welker
Butler	Hruska	Williams
Chavez	Johnston, S. C.	Wofford
Curtis	Langer	Young
Dworshak	Malone	

#### NAYS—60

Aiken	Hayden	Monroney
Allott	Hennings	Morse
Anderson	Hickenlooper	Mundt
Beall	Hill	Murray
Bender	Holland	Neuberger
Bennett	Humphrey	Pastore
Bush	Minn.	Payne
Byrd	Ives	Potter
Case, N. J.	Jackson	Purtell
Case, S. Dak.	Johnson, Tex.	Robertson
Clements	Kefauver	Saltonstall
Cotton	Kennedy	Scott
Dirksen	Kerr	Smathers
Douglas	Knowland	Smith, Maine
Duff	Kuchel	Smith, N. J.
Eastland	Lehman	Sparkman
Flanders	Long	Stennis
Fulbright	Mansfield	Thye
George	Martin, Pa.	Watkins
Gore	McNamara	
Green	Millikin	

#### NOT VOTING—13

Capehart	Jenner	O'Mahoney
Carlson	Laird	Russell
Daniel	Magnuson	Schoepel
Humphreys,	Martin, Iowa	Wiley
Ky.	Neely	

So Mr. McCARTHY's amendment to the committee amendment was rejected.

#### ANNOUNCEMENT OF MEMORIAL TRIBUTES TO THE LATE SENATOR BARKLEY AND THE LATE SENATOR KILGORE

Mr. JOHNSON of Texas. Mr. President, I yield myself half a minute on the bill.

For the information of the Senate and of all other interested persons, I wish to announce that on Monday, July 9,



1956, the Senate will hold memorial services at which tributes will be paid to the late Senator Alben W. Barkley and the late Senator Harley M. Kilgore.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 9952) to provide a lump-sum readjustment payment for members of the Reserve components who are involuntarily released from active duty.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 9952. An act to provide a lump-sum readjustment payment for members of the Reserve components who are involuntarily released from active duty; and

H. R. 10936. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1957, and for other purposes.

#### MUTUAL SECURITY ACT OF 1956

The Senate resumed the consideration of the bill (H. R. 11356) to further amend the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I should like to make a brief announcement. I understand that there are still several amendments at the desk. Some of them will be consolidated, and some of them are duplicates. In the event we are able to restrict our discussion of the amendments, and not use all the available time, we may be able to complete action on the bill this evening.

A number of Senators are very anxious to have that done. Many Senators have speaking engagements which will require that they be out of town over the weekend.

Therefore, Mr. President, I hope that Senators who are to speak on the remaining amendments will make their remarks as brief as possible; and that Senators who have amendments which have been printed, but which they do not wish to call up, will so advise me, in order that we can make our plans accordingly.

Mr. HUMPHREY of Minnesota. Mr. President, I call up my amendment identified as "6-28-56—H," and ask that it be stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 55, after line 16, it is proposed to insert a new section, as follows:

Sec. 14. It is the sense of Congress that in the preparation of the fiscal year 1958 mutual-security program, the President should take more fully into account the desirability of affirmatively promoting the economic development of underdeveloped countries, both as a means of effectively counteracting the increased political and economic emphasis of Soviet foreign policy and as a means of promoting fundamental American foreign policy objectives of political and economic self-determination and independence.

Mr. HUMPHREY of Minnesota. Mr. President, I yield myself 10 minutes.

Mr. President, I should like to address the Senate on the highly important subject of our national security in the perspective of our pending business, the mutual-security program.

The heavy emphasis and primary importance that we place on the defense and security of our Nation will never be subject to serious debate. But the specific policies and methods which we use to pursue these goals are open to serious question. I am convinced that it is entirely in the best interests of our Nation that those methods should be continually reexamined with a view to their improvement. Undoubtedly one of the major questions in planning an effective foreign-aid program concerns the amount of funds which we should allocate to the economic phase of our total mutual-security effort, especially in view of the current changes in Soviet policy.

Mr. President, it has seemed painfully obvious to many of us for some time that a reexamination was in order of the military versus economic aspects of our foreign-aid program. Russia's recent shift in tactics in adopting an extensive program of economic and technical assistance has accelerated my concern that we here in the United States can no longer afford to continue complacently with our previous foreign-aid program as a model for our present requirements. As the Senate knows, the Senate Foreign Relations Committee held exhaustive hearings investigating all facets of this program with testimony from scores of administration witnesses. Yet, Mr. President, time after time when Senators have queried the officials in charge of formulating and implementing our foreign-aid policy as to the administration's plans for counteracting this new Soviet challenge, these officials have not been able to delineate any positive, new steps undertaken or even contemplated in the requests for fiscal 1957.

A couple of examples will suffice. On May 14, 1956, the chairman of the Joint Chiefs of Staff, Admiral Radford testified before our committee. The question of areas of relative deficiency in our foreign policy became a subject of discussion. In answer to a question from me, the admiral responded:

I notice that in the NATO meetings of military men there is no disagreement as to the problems that the military face. It is at the political level that there are some difficulties.

I then asked:

And it is therefore at that level that great attention needs to be concentrated?

The admiral answered, "Yes."

Following an exchange of opinion on the entire world situation, I rephrased my question to the admiral.

In other words, we are at a better stage militarily than we are politically; is that what you would say?

The admiral responded:

I would say that our problems in the other fields are greater and more difficult than they are in the military field.

When we consider the "other fields," Mr. President, the whole economic and

technical assistance area is obviously of considerable importance. Yet when the ICA Administrator, Mr. Hollister, appeared before the Subcommittee on Technical Assistance Programs on January 23, 1956, he indicated quite frankly that many "attractive" requests for assistance presented to the ICA had been rejected by him largely for budgetary reasons. An effort was made by the staff of the Foreign Relations Committee to discover the essential facts about Mr. Hollister's rejected programs and projects. I myself felt that these rejected proposals should have been carefully considered as a part of an overall study of the future of our economic assistance to underdeveloped countries. I regret to say that the information made available by Mr. Hollister on his rejected requests, including information covering the whole field of guidelines or technical assistance program recommendations, was most discouraging.

Mr. President, it seems to me on the basis of the material made available to us from the ICA that there are three significant conclusions to be drawn:

First, contrary to the practice in previous years, the fiscal year 1957 non-military aid program started with a fiscal target set by the Bureau of the Budget and worked backward to formulate an aid program. My impression is that in other years the assistance requirements were worked out first and then adjusted in accordance with fiscal considerations.

Second, due to the restrictive guidelines and instructions sent to the field, the field felt constrained to stick closely to the planning figures supplied from Washington.

Third, the documents made available to us by the administration indicate that the responsible administration officials, regardless of what they occasionally say, actually do not appear to recognize that a very significant change in Soviet tactics has taken place. Such an awareness has definitely not been reflected in the guidelines sent out by the ICA Administrator to the field. There is no sense of urgency on the part of the administration in the economic and technical assistance aspects of the foreign aid bill. I have found little appreciation or even discussion of the significance of the new Soviet challenge in this area. My impression is that men like Mr. Hollister are drifting along inwardly hoping that the need for the foreign aid program will wither away. This is the only conclusion that can be reached from an intensive examination of administration requests. The same conclusion is obvious from a mere superficial examination of these requests, since they seem in most respects to be a warmed-over hash of previous programs.

We worked long and hard over this complex, and often confused, bill in our Foreign Relations Committee sessions, and I think that after weighing all the various pros and cons, the committee took the action which we believed to be in the best interests of the Nation, even though there were many parts of the measure to which some of us could not give wholehearted support.



Yet, Mr. President, I submit that it is not very comforting to spend \$4.5 billion a year for a policy which shows no more imaginativeness, resiliency, or adaptability than the requests presented to us by the administration. We are voting partly on faith. Let no one mistake my words here: I am most certainly not opposed to the necessary expenditures for an adequate foreign policy, but I can see no reason for being satisfied with a program which does nothing to meet the obviously new and different threat of Soviet economic penetration.

Mr. President, I sincerely hope that the security and long-run well-being of our Nation, the Russian approach to foreign aid will at long last wake up those in the administration responsible for formulating our own policy. It is about time that the administration was prodded into doing some reevaluating of our foreign aid program, not merely paying lip service to such an idea. The world does not always behave the way the words behave, even the words of high administration spokesmen.

Mr. President, on this issue as on others, the press of the country is way ahead of the administration. Typical of many intelligent criticisms of the relatively obsolete mutual security program presented to us this year is an editorial in the June 21 issue of the Minneapolis Star. Entitled "Emphasis in Aid," the editorial states that "a good many Americans are worried about the apparent impact of Russia's relatively new foreign aid program in comparison with that of the United States." Mr. President, I ask unanimous consent that this excellent summary of our present foreign-aid predicament be inserted at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### EMPHASIS IN AID

A good many Americans are worried about the apparent impact of Russia's relatively new foreign aid program in comparison with that of the United States. And rightly so.

It does little good to complain that with comparatively small grants the Russians get more publicity and apparent goodwill than this country reaps with a much larger aid program. For there are other reasons for this disparity of impact than the Soviets' shrewd choice of showcase aid projects.

One reason can be discovered by examining the overall United States foreign-aid program. Although its emphasis ought to have been made plain by the current congressional debate on the program, few Americans realize that at least 89 percent of United States foreign aid spending is for military or military-support projects.

Russia's foreign aid venture, on the other hand, however small it may be in comparison with the overall (military included) United States program, is tilted in exactly the opposite direction. Its emphasis is almost all on economic aid.

Keeping these facts in mind might help us appreciate how it is that some young nations overseas, comparing the Russian and American programs in what they consider an objective light, can arrive at judgments which are not favorable to us.

Hardly even the most all-out partisan of greatly expanded United States economic aid, however, would have us drop our military guard. The Communist bloc's past deeds

and its still great military potential would make such action foolhardy.

But all things considered, an increasing number of people are beginning to think that if we maintain our own military strength, perhaps even if necessary stepping up slightly our own defense spending, we should be able to work a major shift in emphasis in our foreign aid, from the military to the economic.

Except in a surprisingly few isolated spots in the world today's militarily oriented program is not producing the dividends (in terms of United States national security) it ought to produce. A major change in emphasis might work for our big program even better than it has for Russia's comparatively smaller effort.

Mr. HUMPHREY of Minnesota. Mr. President, this editorial suggests that it is high time that a major shift in emphasis from military to economic aid should be seriously considered. This is a view which it not held alone by the Minneapolis Star and Tribune. Verbal-ly it is a view espoused by President Eisenhower not long ago when he said that every dollar spent on economic aid was in his opinion worth five dollars spent on the military aspects of defense. I do not quarrel with the military appropriations, Mr. President, but I look in vain for anything like President Eisenhower's ratio of economic versus military importance in the foreign aid requests.

Mr. President, instead the administration sent us a program which calls for a \$2.1 billion increase in military assistance while the amounts requested for economic aid remained for all practical purposes at last year's levels. According to the Secretary of State, the requests consist of 83 percent for military assistance and only 17 percent for economic aid.

At the same time, Mr. President, the indecision and the confusion within the Administration on our technical assistance program and on use of United Nations agencies has been demonstrated by the open split between President Eisenhower and Ambassador Lodge over funneling more technical assistance through the U. N. Ambassador Lodge favors increased use of the U. N. agencies. The President does not feel this is practical.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a press release issued by Ambassador Henry Cabot Lodge, Jr., United States representative to the United Nations, in which Mr. Lodge emphasizes that multilateral aid offers a way to prevent so-called auction which some are trying to promote between the United States and the U. S. S. R. to see which will spend the most in underdeveloped countries.

He also points out that we need bilateral and multilateral programs, but that the present world situation is one which requires our giving new emphasis to multilateral programs.

Mr. President, I ask unanimous consent that the entire press release be printed at this point in the RECORD, together with an article entitled "President Is Cool To Funneling Aid Through the U. N.," written by Elie Abel, and published in the New York Times of May

4, 1956. The article indicates the President's reaction to the multilateral approach to economic aid.

There being no objection, the press release and article were ordered to be printed in the RECORD, as follows:

#### UNITED STATES MISSION TO

#### THE UNITED NATIONS,

New York, N. Y., April 30, 1956.

STATEMENT BY AMBASSADOR HENRY CABOT LODGE, JR., UNITED STATES REPRESENTATIVE TO THE UNITED NATIONS, ON MULTILATERAL ASSISTANCE

The seeds of international communism fall on fertile ground when impoverished peoples see no hope. A hungry man, therefore, is more interested in four sandwiches than he is in four freedoms. But people who are healthy and have enough to eat will be strong enough to fight for themselves against aggression from without or within. This is one important reason why the United States supports programs for economic aid abroad.

A program to which many nations contribute under the auspices of the United Nations has some real advantages over a program sponsored by the United States alone. That is the difference between so-called multilateral aid and bilateral aid.

Multilateral aid offers a way to prevent the so-called auction which some are trying to promote between the United States and the U. S. S. R. as to which will spend the most in an underdeveloped country.

A multilateral program supplies no cover for engaging in political penetration, which is what the Communists do and which we are unjustly suspected of wanting to do. We thus get credit for unselfish motives in contributing to such a fund; yet we can influence it constructively.

The percentage which a country like ours contributes to a multilateral program is less than it would be under a bilateral program because more countries are sharing the expenses.

A multilateral program conducted in full public view by representatives of the United Nations will not be misunderstood by those who benefit from it. United Nations technicians in special uniforms, for example, would find it difficult to engage in surreptitious political activity.

We need both bilateral and multilateral programs. But the present world situation is one which requires our giving new emphasis to multilateral programs. We can do this without any additional expense by diverting a percentage of our foreign-aid funds to multilateral channels.

NOTE.—This statement was made in response to a correspondent's request for Mr. Lodge's views on the value of multilateral assistance in comparison with bilateral.

PRESIDENT IS COOL TO FUNNELING AID THROUGH THE U. N.—SEES THEORETICAL ADVANTAGE, BUT OPPOSES CHANGE NOW ON GROUNDS OF REALITY—CITES WORLD POLITICS—BACKS BILATERAL PROCEDURES—ASKS CONGRESS APPROVE HIS 4.9 BILLION REQUEST

(By Elie Abel)

WASHINGTON, May 4.—President Eisenhower made plain today his misgivings about transferring any substantial part of the United States' foreign-aid program to the United Nations.

Such a shift has been advocated, with varying degrees of enthusiasm, by Henry Cabot Lodge, Jr., United States Ambassador to the United Nations; by Adlai E. Stevenson, Democratic presidential aspirant, and by other prominent Americans.

Ambassador Lodge proposed last week that the United States should channel a large part of its foreign aid through the United Nations. Such an arrangement, he declared,



would offer "real advantage over a program sponsored by the United States alone."

The Lodge statement, regarded as a bid for the Soviet Union also to use the United Nations as an aid-distribution agency, contended that in this way it might be possible to prevent an East-West contest "as to which will spend the most in an underdeveloped country."

#### ACTUALITIES ARE NOTED

Mr. Lodge contended that such an approach would minimize the danger of under-cover political penetration. Others have taken the view that aid dispensed by the United States would be more acceptable to uncommitted countries because it would not put them on one side or the other.

The President said at his news conference this morning that there might be a theoretical advantage in using the United Nations to distribute economic assistance as a means of removing the whole question from the arena of East-West competition.

"But in practice," he added, "we are quite certain that as of today—and you know the character and difficulties of the United Nations as well as I do—you couldn't keep out politics."

For the present, foreign aid must continue to be carried out through bilateral arrangements with other countries or with groups of countries, the President declared.

He noted, however, that the United States had not been deficient in contributing funds for various forms of relief and technical assistance through the United Nations. In the present fiscal year ending June 30, he said, the United States voluntary contributions would amount to \$71 million, far in excess of what anyone else puts in.

The President made a strong plea for congressional approval of his \$4,900,000,000 foreign-aid request, which is now before the House Foreign Affairs Committee.

"The program as it is now outlined represents to us a minimum that is necessary for the welfare of the United States in the years to come," he declared.

Asked about his meeting on the foreign-aid issue last Monday with congressional leaders of both major parties, the President said they had studied ways and means of setting up a commission to reexamine the program and to see how it could be improved.

#### PROGRAMS CALLED MINIMUM

The commission will report to the White House and Congress before the Presidential Inaugural next January 20, General Eisenhower said. He emphasized, however, that the present program represented a minimum and should not be reduced in anticipation of new proposals next year.

President Eisenhower said it was not entirely true that this year's program could be regarded as a stopgap until better methods of meeting the Soviet Union's economic offensive were devised.

He said the administration was constantly trying to improve the foreign-aid program. To this end, the Council on Foreign Economic Policy, headed by Joseph M. Dodge, former Director of the Budget Bureau, has been at work for many months with every kind of expert advice and counsel that we can get together on this thing, the President said.

"We are certain that in this world of today you cannot walk off and abandon your friends \* \* \* and not have something bad happen," he declared.

#### CRITICS AT HOUSE HEARING

He acknowledged that the current program was not much different than it had been in recent years, except that the administration had now called on Congress to correct certain past weaknesses. The President was alluding to his request for wider Executive discretion in allocating funds.

Meanwhile, critics of the foreign-aid program were appearing before the Foreign Af-

fairs Committee for the first time in the current session of Congress.

Mr. HUMPHREY of Minnesota. Mr. President, I was hopeful that during these deliberations we might have been able to consider as a part of the foreign aid program a wider use of international agencies. What I refer to in particular is America's possible contribution to international economic development under the auspices of the United Nations. Many of us are familiar with the proposal known as SUNFED—the Special United Nations Fund for Economic Development. It is still in the planning stage. It needs the United States, to give it impetus, to give it meaning.

The purpose of the United Nations Special Economic Development Fund would be to improve the economic aid program by promoting the construction of such necessities as roads, hospitals, power stations, and other capital projects essential for industrial development.

The program known as SUNFED would be open to any nation or special agency. The nation or agency would have to be willing to subscribe to the principles and policies of the SUNFED organization.

SUNFED would be directly related to the United Nations technical assistance program and would be in coordination with UNESCO and the United Nations Economic and Social Council.

I have developed a memorandum relative to the background of SUNFED, and I ask unanimous consent, Mr. President, that it be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

#### MEMORANDUM RE SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT (SUNFED)

##### I. EXPLANATION OF SUNFED

A. Purpose: To prove the economic aid program by establishing an international fund to develop the "infrastructure" sectors of the economies of underdeveloped countries. "Infrastructure" includes basic necessities like roads, hospitals, and power stations, all of which are essential for the further development of industrial potential.

B. Membership: Open to any nation or special agency, not necessarily a member of the United Nations, provided that the nation or agency would be willing to subscribe to the principles and policies of SUNFED, to pledge its contribution to the operational budget of SUNFED, and to pay its share of the administrative budget.

C. Costs: SUNFED advocates anticipate an initial contribution of \$250 million by at least 30 nations or agencies to get SUNFED going. Actually eventual running costs have been estimated as high as \$3 to \$10 billion.

D. Relation to other U. N. agencies: The auguration of this fund would also necessitate an extension of the U. N. technical aid program, and coordination with UNESCO and the Economic and Social Council.

##### II. HISTORY OF SUNFED

In 1953, a committee of nine submitted a report ordered by the Secretary General of the United Nations, bearing on the organization of a Special United Nations Fund for Economic Development (SUNFED).

In 1954 and 1955, Belgian banker Raymond Scheyven, former president of the United Nations Economic and Social Council (1953)

reported to the 9th and 10th sessions on the continued studies of SUNFED. The report maintained that "any program of economic development, of necessity, contains a proportion of low-yielding and slow-yielding projects which yet are essential preconditions for the high-yielding and rapid-yielding projects."

During 1954 and 1955 the United Nations General Assembly debated the possibility of implementing the suggestions of the committee of nine. Thirty-two nations, mostly have-not nations, have supported the resolution to implement the report, but in 1954 the United States and other have nations vetoed this resolution.

In 1956 the pressures outside the United States of America for going ahead with SUNFED have increased. The administration has remained opposed. (See IV, *infra*.)

##### III. THE VALUE OF SUNFED TODAY

A. Cooperation of the United States in connection with SUNFED would reaffirm in the eyes of the world the good faith of the United States in working with the United Nations.

B. Affiliation with an international organization with the purpose of spreading economic aid to the underdeveloped countries would unburden the United States from some of the onerous consequences of bilateral agreements which have often aroused considered distrust and envy.

C. The United States could thereby call the bluff of the Soviet Union which professes to regard the United Nations as a suitable medium for peaceful activities, untainted by political motives.

D. On the international scale it would fill a gap in the present economic and technical aid plans. This desire to develop the infrastructure is a new idea politically but a very widely recognized idea among economists. Former plans have been geared to economies already possessing a strong infrastructure.

E. Our reticence to SUNFED permits the Soviet Union to take the initiative and once more outstrip the United States in winning the approval of the neutral and underdeveloped nations.

F. Henry Cabot Lodge, Jr., United States Ambassador to the United Nations, has said (statement made on April 30, 1956):

"Multilateral aid offers a way to prevent the so-called auction which some are trying to promote between the United States and the U. S. S. R. as to which will spend the most in an underdeveloped country.

"A multilateral program supplies no cover for engaging in political penetration, which is what the Communists do and which we are unjustly suspected of wanting to do. We thus get credit for unselfish motives in contributing to such a fund; yet we can influence it constructively."

G. SUNFED might assist in improving domestic political conditions in the recipient assisted countries without the customary adverse reaction to bilateral political "strings". As the Scheyven report stated in 1954:

"It might be easier to carry out such structural reforms through an international organization, which is in a better position to spare national susceptibilities. The intervention of any one country in reforms of this nature would be a very difficult matter, as is illustrated by the reactions which have been aroused whenever lending countries have sought to make their investments conditional upon stipulations which the borrowing countries regarded as infringements of their sovereignty."

##### IV. UNITED STATES POSITION ON SUNFED

A. The administration believes primarily that SUNFED should not be initiated until disarmament has been well advanced and the funds thereby saved could be profitably reinvested in such economic aid.

B. The administration also contends that other countries involved in large military expenditures, would be unable to contribute



substantially. If the United States were to bear the brunt of the burden, it would be very costly. Moreover, the argument runs, SUNFED would lose its basic and necessary international characteristics.

C. The administration also claims to feel that a disproportionate part of the original investment would be "wasted" in the organization of the administration of the fund, operational costs, overhead, and plant expenditures.

D. The small initial amounts contributed would have to be followed by spiralling amounts later.

E. In reply to Ambassador Lodge's statement urging the extension of United States support and activities within the United Nations, the President said that the expansion of the United Nations technical- and economic-aid program might alleviate the tension of East-West competition over economic aid, in theory. In practice, though, he said, "We are quite certain that as of today—and you know the character and difficulties of the United Nations as well as I do—you couldn't keep out politics." The President implied that the present American contribution of \$71 million to the United Nations was adequate.

F. There is a present schism in the administration position, evidenced in the Lodge-Eisenhower difference of opinion. Also, Francis O. Wilcox, Assistant Secretary of State, stated on April 10 that there was a need for encouragement for projects like SUNFED. Wilcox suggested the use of the United Nations in such a project, but tempered his statement with an appeal to the go-slow philosophy.

G. One other fear is that the economic policies of the United States in regard to economic aid will be governed by an international bureaucracy.

#### V. REBUTTAL TO THE ADMINISTRATION POSITION

A. We should not postpone action until achieving disarmament. Under the present state of tensions, it would be far more advisable to work on the evils of poverty and hunger which are as much ammunition of the Communists as our military policies. It might also be possible that improvement of economic conditions in the underdeveloped countries might improve the chances for disarmament.

B. One of the basic, unexpressed motives behind the administration position is efficiency. As Walter Reuther said, however:

"We can afford to contribute our share of SUNFED's \$250 million—and much more. We have proved we can afford defense expenditures of \$1 billion a week (\$52 billion a year), and at the same time, contribute to SUNFED and invest in other phases of a rounded development program to the extent of billions a year." (Testimony before the Senate Foreign Relations Committee.)

C. There are four safeguards protecting the fund from being "raided" by "have-not" nations who have not contributed an appropriate amount. The SUNFED proposal would provide that:

(1) Membership is on a year-to-year basis, annually renewable or revocable;

(2) The main contributors to the fund would have half the 8 or 12 members of the governing board;

(3) A board member from a country applying for aid would not participate in action on that application;

(4) The Director would cast the deciding vote in the event of a tie (and the United States as the heaviest contributor, in all probability would name the Director).

#### VI. SUPPORT FOR SUNFED

A. AFL-CIO, UAW: Walter Reuther said in his testimony before the Senate Foreign Relations Committee:

"It is foolish to the point of suicide to put off such economic cooperation until after worldwide disarmament is achieved or even until another study is completed \* \* \*. It is

precisely during the period of tension when disarmament is blocked that such positive offensives against poverty and hunger are most needed, most valuable, most powerfully effective in working out of the swamps and jungles of fear and war into the light and confidence needed for peace and disarmament \* \* \*.

"SUNFED is part of a positive peace offensive, a way to get off the dime of military defense and make real for mankind the Four Freedoms for which World War II was fought and won."

B. Friends Committee on National Legislation.—E. Raymond Wilson before the Senate Foreign Relations Committee, May 11, 1956:

"While it is important and imperative to work for universal disarmament under enforceable law, we can't wait for disarmament to undertake a much more adequate economic development program. Technical cooperation programs and economic development must be expanded rapidly, even if there is no political progress toward disarmament. Indeed, the improvement of economic standards may help to decrease tensions, and in turn improve the chances for achieving disarmament."

C. National Farmers Union.—James G. Patton, president, before the Senate Foreign Relations Subcommittee on Senate Resolution 85 and 86, May 29, 1956.

"To move in the direction of peace and abundance, we need to open the door to the negotiation and establishment of \* \* \* an International Development Agency such as SUNFED."

D. UAW international relations resolution adopted April 1, 1955, Cleveland, Ohio:

"We strongly urge Congress to approve and provide the \$80 million for the Special United Nations Fund for Economic Development (SUNFED) in order to further demonstrate the deep concern of the people of America to take immediate and practical steps toward world peace."

#### SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT

(Report prepared in pursuance of General Assembly Resolution 822 (IX); General Assembly; Official Records, 10th sess.; supplement No. 17 (A/2906), New York, 1955)

#### CHAPTER II. ROLE OF A SPECIAL FUND IN THE DEVELOPMENT OF UNDERDEVELOPED COUNTRIES

11. The function of a special fund cannot be that of a vast international charitable organization similar to the United Nations Relief and Rehabilitation Administration after the Second World War. There is no question of the free distribution of consumer goods and the underdeveloped countries are not asking for charity. This would not be a lasting and reliable solution of their problems. The only real solution consists in raising their national income, or in other words, in increasing their production. Such an increase in output can be attained only by the improvement of methods of production, requiring both the training of people—to obtain higher technological skill, managerial ability and administrative competence—and the introduction of modern equipment.

Large amounts of capital are needed both for the training of people and for the provision of modern equipment. This capital should, in principle, be derived from savings, if these were not so low in the underdeveloped countries. The economic advancement of any country left to itself depends, in effect, essentially on its domestic resources and on their full and effective utilization. The economically underdeveloped countries, however, are in a difficult position not only because their domestic resources of capital and technological skill have not been fully mobilized, but primarily because these resources are inadequate. The vicious circle for underdeveloped countries is that their

savings are low because their incomes are low and their incomes will remain low if more savings are not made available for investment in equipment. Hence, in the absence of a sufficient flow of foreign capital, the underdeveloped countries themselves are not able appreciably to raise their incomes and the disparity in standards of living which now exists between wealthy and poor countries will continue to widen. As we have indicated in the introduction to this report, we must, in order to reduce tension, achieve a certain balance between the standards of living of the various peoples. Wide differences of income between members of the same community contribute to political instability; for that reason, one of the fundamental aims of a policy of international peace, of which the Special Fund will be one of the instruments, should be to reduce the widening gap between standards of living in the various countries.

12. This disparity can be corrected only if the process of development is seen as an international problem requiring a common effort, which implies that the resources of wealthy countries will be used to supplement the savings of underdeveloped areas. Such assistance to the latter would enable them to step up their investment programs, and the extent to which they will be able to do so is closely related to the form and the amount of foreign assistance which will become available. In this sphere there is a real need for additional financing along lines different from that provided either by private investors or by the International Bank for Reconstruction and Development. This additional financing should be directed toward providing the underdeveloped countries with what is called the economic-social "infrastructure," on which the apparatus of production proper is based. The "infrastructure" may be defined as the set of basic facilities needed for effective production, such as a minimum of roads, power stations, schools, hospitals, housing, and Government buildings. Experience has shown that it is only when this basis has been established that production can be developed smoothly and that private initiative can play its full part.

This additional financing can be undertaken only by public capital, largely on a grant basis. This is in conformity with national finance policy in almost all countries. Large sums are continually being spent on this type of investment and it frequently happens that one region of a country finances the development of another region, when this is in the common interest. From the international point of view, there is no reason why this transfer should stop at political frontiers. It is here that the special fund would make an indispensable contribution, supplementing that already made by the other institutions working in the international field.<sup>1</sup>

13. Distinctions, which are theoretical rather than practical, are normally made between the various types of infrastructure investments; some are social because they provide for the education, health, and welfare of the population;<sup>2</sup> others are economic because they tend more directly to promote the economic development of a region. Some investment projects are self-liquidating in the sense that they yield a profit to the in-

<sup>1</sup>These transfers should not be confined to relations between industrialized and underdeveloped countries; they are also possible in relations between industrialized countries or between underdeveloped countries themselves.

<sup>2</sup>In some cases, the most desirable form of development may be dependent on migration. One of the aims of the special fund might therefore be to establish conditions favorable to the transfer and resettlement of surplus population.



vestor of sufficient size and over a sufficiently short period to be financed by commercial loans or by private capital; others relate to projects which, although non-self-liquidating, nevertheless constitute an indispensable part of the infrastructure. This category includes roads, schools, hospitals, and other facilities which add to the Nation's productive potential, but which are not usually operated in such a way as to yield a profit within a reasonably short period.

It would, in our view, be wrong to consider that the essential purpose of the special fund would be to finance social and not economic infrastructure investments. In order to promote the development of a country, it may be more immediately necessary to build power stations and railways than schools and hospitals.

It would be equally wrong to consider that the fund's essential mission would be to finance non-self-liquidating investments and not potentially self-liquidating investments. From the general economic point of view, all infrastructure investments, whether social or economic, provided that they are not unnecessarily large and that they are integrated in a coherent development program, are directly or indirectly self-liquidating, since they all contribute to the short-term or long-term development of the economy. Thus the construction of hospitals and schools will provide a country with a healthier and more highly skilled labor force, which cannot fail to have favorable effects on productivity.

In the financial sense of the term, only self-liquidating investments, i. e., investments which yield a financial return on the capital invested within a reasonable period, can attract private capital or be financed by commercial loans. However, the infrastructure may include normally self-liquidating projects, such as power stations, which cannot be financed either by private capital or commercial loans, owing to the subsequent transfer difficulties which such methods of financing may entail. In this case, one of the functions of the special fund would be to solve these difficulties, either by a grant, or by a loan repayable in local currency, as will be explained in chapter IV of this report.<sup>3</sup>

To sum up, it would be the function of the special fund to finance any investment whether economic or social, in underdeveloped countries, which was part of a coherent program designed to attain the maximum rise in national income and which could not be fully financed by private capital, the International Bank, or any other loan-making institution.

14. In performing this function, the special fund would be able to initiate or to stimulate development processes that would not otherwise take place. Its action would be comparable to that of the Marshall plan for the rehabilitation of the war-devastated

countries of Europe. The success of the European recovery program was complete. It had all the features of the operations outlined above and broke the vicious circle of low production and low investment which threatened Europe as the result of war damage. It consisted mainly of grants, since it was understood that the balance of payments position would not permit the repayment of loans for some years. It enabled the European countries to restore the most essential parts of their production equipment, including roads, electricity plants, and certain buildings. However, so far as the necessary investments were concerned, United States assistance only supplemented the countries' own contributions. The recovery in production and income in the Western European countries has made it clear that these investments were economically sound and that they helped to restore political stability in the countries concerned.

It is true that in the case of Europe, it was a process of reconstruction rather than of development that was envisaged. It is also true that the assistance was limited in time, whereas the development of underdeveloped countries is a long-term undertaking. However, if even in this case it was considered necessary to assist the recovery of production in Europe by external aid, such assistance would be all the more necessary for underdeveloped countries. The experience of the Marshall plan has shown the path to follow. In view of the dangers to international political stability involved in the alternative of inaction, it would be most unfortunate not to make use of that experience.

Mr. HUMPHREY of Minnesota. Moreover, Mr. President, other major areas of confusion remain unresolved. Thus, instead of attempting to formulate an approach to the tremendous economic needs of Asia, estimated by such foreign aid experts as Professors Millikan and Rostow to be as high as \$1.6 billion per year of realistic absorptive capacity, we continue to think largely in terms of planes and tanks which are not necessarily relevant to the Asian situation. In the Indian-Pakistan-Afghanistan area, we are actually upsetting local balances of power.

Another aspect of administration confusion lies in the field of farm surpluses. While many people in the world subsist on starvation diets, the United States has ample supplies of foodstuffs which can be most effectively used in a humanitarian gesture, and in a manner highly valuable to the prestige and respect of the United States abroad. So what does the administration do? It cut back by \$50 million the amount of American agricultural products planned for shipment overseas.

Mr. President, when is the administration going to wake up to see what is going on in the world outside? The administration's complacent point of view has created a program which does not begin to meet some of the most pressing needs of the world and our Nation today. Our leaders have talked about the advantages of economic aid, and yet they have done nothing about it. They have talked about the value of more dramatic contributions to the United Nations, and yet they have done nothing about it. They have talked about the urgency of the economic thirst of Asia, and yet they have done relatively nothing about it. Now, more than ever before, we need bold, thoughtful, and imaginative planning of the money we spend on foreign aid, and

the administration plays for us the same old record labeled "we must help our allies," and shows no foresight or even common sense in the arrangement of the music. Mr. President, I am impatient with an administration that indulges in such constant window dressing and yet when it comes down to actually doing something concrete with their verbiage, they back down.

Mr. President, this confused administration program has been presented to us even in the face of testimony like that of Walter Reuther, who has just returned from an extensive trip to India and who estimates that an overall economic aid program of \$8 billion per year would not be exorbitant. Mr. John Cowles, the distinguished president of the Minneapolis Star and Tribune, made a penetrating analysis which was inserted in the RECORD several days ago. He emphasized the urgency of allocating greatly expanded portions of our existing mutual security funds to economic aid.

Even a casual observer of newspaper headlines would have seen the countless reports and articles which underline the strategic value and need of economic aid. Two articles from the New York Times in relation to the crucially important Asian sector of the globe, for instance, quickly show the shortcomings and failures of our present policy. In the May 26 article entitled "Asian Neutrals Pose Economic-Aid Problem," Mr. Thomas J. Hamilton repeats a common complaint: That no clear indication of our policy has yet come from President Eisenhower or Secretary Dulles toward new developments in Asia. The disturbing cancellation of Prime Minister Nehru's scheduled visit will further postpone such policy considerations.

In an article of April 10, 1956, numerous New York Times foreign correspondents reported a summary of their interviews and observations in many nations. They agreed that goodwill toward the United States in many strategic Asian nations has been seriously ebbing, and they continue to point out how again and again the problem of economic development is foremost in the minds of our non-Communist friends abroad.

Mr. President, I ask unanimous consent that the two articles just described be inserted at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 26, 1956]

ASIAN NEUTRALS POSE ECONOMIC-AID PROBLEM—THEY WOULD LIKE TO GET ASSISTANCE THROUGH THE U. N. BUT CONGRESS PREFERS BILATERAL APPROACH—SOVIETS ALSO APPEAR COOL

(By Thomas J. Hamilton)

During his state visit, President Sukarno has given the American people a clear exposition of the policy that Indonesia, and indeed all the new countries of Asia and Africa, are demanding from the West.

For one thing, they expect the United States to back them all the way in their drive to eliminate the remaining vestiges of colonialism from the earth. Although they are neutralists, or, as they prefer to call themselves, "uncommitted," they insist that the descendants of Thomas Jefferson and Patrick Henry must automatically support

<sup>3</sup> A typical case has been brought to our knowledge. We were informed that a financial institution particularly concerned with assistance to underdeveloped countries had made loans to an Asian country to finance four projects, but had refused to finance a fifth. It was not that the fifth project was less important than the first four or that it was not financially self-liquidating. In both respects it was on the same footing as the other four projects. The institution considered, however, that it could not make the fifth loan because of the economic situation and balance of payments position of the applicant country which would have prevented it from repaying the fifth loan within a reasonable period. The fifth project, although self-liquidating, would be within the province of the special fund, which would finance it either by a grant or, more probably, by a loan repayable in local currency.



Indonesia's claim to West New Guinea and India's to Goa.

This argument obviously presents a problem for the United States. The economic phase is equally difficult. Dr. Sukarno has emphasized that the new nations want economic assistance not guns. He did not discuss methods, but Prime Minister Nehru of India, who will be the next Asian leader to visit Washington, has already proclaimed that this help should be provided through the United Nations, not bilaterally.

Dr. Sukarno's visit has developed the point that the new countries are now just as insistent upon American help in developing their economies as they are upon support in their anti-colonial offensive. Walter P. Reuther, who has studied the situation in India and other southeast Asian countries, expressed it in his letter to Secretary of State Dulles last March.

#### FRIENDSHIP'S GAIN

"The hungry, the naked and dispossessed masses are on the march, and they are determined to free themselves from economic bondage, as many have already freed themselves of colonialism and political bondage," Mr. Reuther wrote. "In the long run, we will gain by making grateful friends, not jealous enemies."

Gifts and loans by Western governments, in particular by the United States, appear to be the only solution that the new countries will accept; in particular, all of them are allergic to allowing private capital to finance them.

Since the Soviet Union has already started to provide limited but spectacular economic help for the new countries—Moscow might do more after it reduces its armed forces—they now seem to have an alternative if the United States does not respond to their appeals.

But there are no signs that Congress, which in an election year is particularly aware of the tax burden, will either increase the foreign-aid appropriation for economic assistance or permit the United Nations to administer it.

President Eisenhower has asked for a foreign-aid appropriation of \$4,900,000,000, of which three-fifths is for military assistance. Another fifth is for economic assistance to countries with which the United States has defense agreements.

This leaves considerably less than \$1 billion for economic assistance to the neutral countries and for contributions to the United Nations and related agencies, including the technical-assistance program. The United Nations program is spending \$28 million this year, of which half was supplied by the United States.

#### ISSUE OF COMMITMENTS

During the appropriation bill's passage through the House of Representatives in Washington thus far the military program has been cut more heavily than the economic program. But the administration's request for authority to give more than a year's commitment on projects requiring years to complete seems to have been eliminated for good.

Apart from demonstrating the determination of Congress to retain control of the purse strings, the treatment of the bill reflects the strain on the American taxpayer. He has provided billions of dollars in foreign aid since 1947.

Furthermore, since Mr. Dulles has boasted that the revised Soviet tactics resulted from the defeat of Russia's former policy, the sense of urgency about even the military program is diminished. It is even more weakened in the case of economic assistance.

#### RUSSIA INCLUDED

As far as the United Nations is concerned, a serious drawback is the fact that the Soviet Union is now participating in the U. N. technical-assistance program to the

extent of \$1 million worth of nonconvertible rubles a year. While some countries have demurred at admitting Soviet technicians under the U. N. program, Burma has accepted 2 experts on coal-shale mining and India 2 statisticians and a woman physician.

It was, of course, the fear in Washington that the Soviet Union would sabotage the Marshal plan that resulted in the decision to administer it outside the United Nations. Although United Nations authorities say that a \$50-million technical assistance program for next year is the minimum that would take care of meritorious applications, it would be idle to disregard the conviction of many Americans that, if the United States is going to spend the money, it ought to get the credit.

In accordance with this feeling, the United States, in fact, has for years blocked the establishment of "Sunfed"—the Special United Nations Fund for Economic Development—although it calls for an annual expenditure of only \$250 million a year. The United Nations Atoms for Peace Agency is to be established next year on the initiative of the United States. But if the new countries and the Soviet Union insist upon taking over control, the United States may fall back on its existing bilateral program.

#### FRENCH PROPOSAL

On the other hand, there is a growing movement, led by France's Foreign Minister Pineau, for the increased use of the United Nations in providing economic assistance. One reason is the technical consideration that experts from less industrialized countries may be more useful—and work for lower cost—than Americans in helping backward countries.

But the basic consideration is the justified belief that the neutralist governments find it easier to accept help from the United Nations than directly from the United States.

The same considerations have applied to bilateral help from the Soviet Union. Judging from the equivocal reaction of the Soviet Union to M. Pineau's proposal, the Presidium apparently is no more enthusiastic about a United Nations program than is Congress.

No clear indication of policy has come from President Eisenhower or Mr. Dulles. However, their representative in the United Nations, Henry Cabot Lodge, Jr., is insisting that "we need both bilateral and multilateral programs" and that a larger part of the foreign-aid program should be channeled through the United Nations.

[From the New York Times of April 10, 1956]

ASIA SURVEY FINDS NEED OF MORE AID—SOME SEE CUT IN UNITED STATES LIVING STANDARD TO PROVIDE HELP

(By A. M. Rosenthal)

COLOMBO, CEYLON, April 9.—The great challenge—and the great opportunity—facing United States foreign policy is communism's eager pursuit of nationalist movements all over the world.

The challenge springs from the fact that the Russians have grasped the enormous emotional and political drive behind what Asians like to call the age of nationalism.

Not long ago, at one of those earnest diplomatic garden parties that make up a good deal of New Delhi's official social life, an Indian Foreign Office man was talking about a favorite topic—where the United States goes wrong.

"You don't seem to be able to realize that countries see the world in different ways, that problems unimportant to you are primary to us," he said.

"That's why you are finding yourself losing out to the Russians on this colonialism business," he continued. "They have the wit to see that nationalism is the force of this decade. Intellectually you see it, too, certainly. But you expect the impossible.

You expect Algerians, for instance, to take a world view, not the Algerian view."

The United States is no longer counted a sure friend of nationalist movements.

This is a bitter thought for the United States, remembering that freedom was given to the Philippines, and help to India and Indonesia. It is made more bitter by the fear that the western age of colonialism is being replaced by Soviet political and military conquests.

But there is no point in giving argument for argument. It is enough that Asians have lost trust.

The national elections in Ceylon, which resulted in a crushing defeat of the openly prowestern government, were fought on domestic rather than international issues. But certainly they showed that being identified with the West has no great political asset to an Asian politician. And they showed, too, that the West's policies had not struck a real spark in the minds of the Ceylonese.

This is a problem made infinitely more acute by the fact that the Russians, with no political commitments to the "colonial" powers, can and do eagerly push themselves forward as friends of nationalism everywhere.

The opportunity springs from the challenge. It is the opinion of many Asians and some important United States officials in this area that the United States, in its concern for physical and military security, is letting the political battle go by default. They believe too that Americans do not realize that goodwill toward the United States is ebbing. But they believe that the plain threat that the Communists will be able to identify themselves with nationalism may prod the United States into restating its own traditional friendship for independence movements.

Among some Americans here there is a belief that the best step the United States could take now would be a straight and unequivocal statement of its intention to see that every land capable of self-government attains it.

For the sake of political effect, it might help the United States to bring up the issue itself at the United Nations. It certainly would help if a declaration were made formally by the President of the United States.

This reporter has not heard that last suggestion put in as many words by Indian or United States officials. But there have been many comments that the time has come for clarification of United States policy. Putting that hope together with the fact that President Eisenhower's personal prestige is high here, it is obvious that a Presidential declaration would have more force than any other kind.

#### ALL CANNOT BE PLEASED

It is the opinion of most westerners in India that for the time being at least the United States cannot evolve a foreign policy that will make New Delhi or all other Asian capitals entirely happy. The reason is in the basic difference in attitude toward the Communist philosophy and toward the danger of that philosophy.

India and other Asian countries are ready to believe the danger of military aggression has passed. As far as the United States is concerned, military containment and preparedness will have to remain the skeletal structure of United States foreign policy. That means something the Indians will never like—military pacts in which their neighbors are armed.

It has to be recognized—and this comes from a number of Asians—that the United States cannot satisfy all Asians' wishes.

But, especially in connection with nationalism, Asians say that Americans must also recognize that they need not keep all their allies happy all the time.



The United States would have to pay a price for meeting the Soviet challenge on nationalism head on—the anger of some United States allies.

But the history of the last 10 years has proved that sooner or later the United States has had to take public stands that its western allies did not like, and that too often—Cyprus, for instance—those stands were taken too late for maximum political effect. Put another way, opinion in this part of the world is that the time has come for the United States to lead the parade instead of running after the Soviet Union.

The nationalist question cannot, of course, be considered without taking the free world's military security into account. But if the last decade has shown anything—consider Suez, Cyprus, Indochina, and north Africa—it is that military security depends on political security and that democratic countries cannot hold down military bases surrounded by hostile populations.

This is not a suggestion for abandoning military security but for reconsidering the essentials for military security. To give just one example, there are United States military men in Saigon who believed that the presence of the French expeditionary corps in South Vietnam was such a political liability that it amounted to a threat to military security.

And it is being asked whether the British naval base on Cyprus is more secure now than it would have been if the British had given up sovereignty and signed a long-term lease treaty with the willing Greeks.

#### ECONOMICS AN ESSENTIAL

Some American officials in Asia might disagree with the emphasis on pushing to the front on the colonialism issue. But few would disagree that economics becomes every day a more essential part of our foreign policy. One obvious reason, of course, is that the Russians have entered the picture—in Egypt, India, Syria, Indonesia, Afghanistan, Burma, the Sudan, and Yemen.

But just as important is the fact that the newly independent countries are aware more sharply than ever before of the gap between them and the developed countries. That gap is growing because western industrialization is outpacing the painful development efforts of Asia and the Middle East.

Sooner or later in a discussion of foreign policy the talk boils down to this: The United States will have to spend still more money and share still more of its wealth with Asia.

What is more, there is a belief among Americans in Asia that the time may be coming when the United States will have to cut down its continually rising standard of living to meet Soviet competition and to help underdeveloped countries get ahead. Indian businessmen say the United States is pricing itself out of the market.

An example among many: The Tata Iron & Steel Co., part of the biggest industrial-commercial enterprise in India was negotiating with the United States Export-Import Bank for a loan to double its steel producing plant. The negotiations fell through because under a loan, say the Tata spokesmen, the concern would have been obliged to buy all its equipment in the United States and prices were too high, when measured against the high interest rate demanded by the bank.

One of the problems the United States must face in Asia is a drift toward nationalization of economies. Nearly everyone believes it would be unwise and impossible to try to pressure India, for instance, away from socialism.

But among Americans there is the opinion that, without interfering with Asian lands bent on some form of socialism, there is a great deal Washington can do to promote the spirit and philosophy of enlightened private enterprise.

#### AID TO PRIVATE INDUSTRY

One American businessman said in New Delhi recently that since the United States was willing to give hundreds of millions of dollars to governments, it should be willing to give private Asian industry a hand by making low-interest rate loans. He mentioned the Tata episode as a case in point.

The Tata organization is now negotiating with the International Bank for Reconstruction and Development for a loan. That means the Indian Government would have to stand behind the loan and would have a stronger voice in Tata affairs.

The point this businessman and others made was that where opportunities presented themselves to help reliable private enterprise in Asia, the United States should take them.

High United States prices and interest rates take on political importance because the Soviet Union will make sacrifices to supply goods at prices underdeveloped countries can afford.

There is a feeling among Westerners that sometime soon the people of the United States may have to learn the painful lesson that continuously rising wages and profits may wreck their country's ability to compete with the Soviet Union in the economic struggle for Asia. Already India is buying most of her cement from Communist countries. Multiply this by a hundred products and the political consequences need no underlining.

The job of strengthening the economic foundations of underdeveloped countries was started by the United States a decade ago. Still the insistence of Western and Asian officials is that more and more money must be appropriated because on this now hangs the future of Asia. Not only more money is needed but more imagination and more planning.

#### CONFERENCE SUGGESTED

So far, planning and spending have been on a national basis and sometimes without clear goals in mind. There are United States officials here who believe that one of the things the United States could do would be to call a technical level conference to work intensively to map out Asia's needs, resources, foreign aid requirements and attainable objectives. There is a good chance the United States would find itself ahead of the Asian countries in the desire for regional planning, but there is nothing wrong with leading the field.

India needs more money, large quantities of it. If the United States was willing to lend India the money—a billion dollars at least—it could assure that her own democratic way to a mixture of socialism plus private enterprise had stood the test when compared with Communist China's totalitarian economy.

It is in the interest of the United States to help noncommitted countries, but there is no reason why it should be ashamed of making a special economic effort for its allies—Pakistan, for instance. The recent meeting of the Southeast Asia Treaty Organization at Karachi expressed some fond hopes about emphasizing the economic aspects of the alliance. But beyond appointing one economist the conference did nothing about it. Here, too, is a field for United States imaginativeness.

The problem of Afghanistan is one of the most difficult the United States faces. For one thing, the Soviet loan of \$100 million faces Washington with a decision as to whether to be drawn into the endless, sapping process of trying to outbid the Soviet on loans. That is just what leaders of this area think Washington did in the case of the Aswan High Dam in Egypt, and the action did not enhance the reputation of the United States.

But the bigger problem the United States faces in Afghanistan is the same one it must

deal with in many countries in Latin America, the Middle East, and Asia. That is whether United States funds are to be used to bolster dictatorial governments just because they happen to be in power.

There is no easy answer to this. The Russians certainly have no compunctions about supporting any government in power so long as it suits their purpose. But whether that approach and that philosophy in the long run suit the objectives of freedom is questioned by many Asian friends of the United States.

Assuredly the United States cannot change the governments of the world to suit itself. But it would be in keeping with United States traditions to make it clear through presidential statements that Washington is not ready to build up dictatorships of the right in its fight against dictatorships of the left.

The world struggle is as much as anything a struggle for minds and attitudes. And there is something the United States could do that would not cost astronomical sums, would pay off handsomely and would be welcomed by most Americans who have spent any time in the area. That would be to step up scholarships for foreign students to study and live in the United States and for Americans to study abroad. This correspondent has met many Asians who have lived in the United States and virtually every one has returned with more understanding and sympathy toward United States goals.

Many Asians feel that knowledge of their lands is almost nonexistent in the United States. An increasing number of Americans living in Asia could do much to remedy that.

It might help prevent incidents like the one involving the Member of the United States Congress interviewed at the Karachi Airport, who was asked what Americans thought about Pakistan.

"Think about it?" he asked. "My boy, they never even heard of it."

Mr. HUMPHREY of Minnesota. Mr. President, the administration has now tacitly admitted its confusion, its lack of direction and foresight, by agreeing that a study of our whole program of foreign aid is called for. The Foreign Relations Committee has likewise now endorsed an appropriate resolution to establish a comprehensive, exhaustive study of the entire, complex foreign aid problem.

Of course, studies themselves will not be self-executing. Depending on who conducts them, these studies may not even be new or path-breaking. It is extremely important that we obtain meaningful, useful results without impairing the flexibility or breadth of analysis which the committee wishes to undertake. We should consider carefully what methods of approach should be utilized to make this study most profitable. Already pertinent questions have been included in Senate Resolution 285 introduced by Senator MANSFIELD. Other proposals that might supplement or implement those already suggested could include the following:

First. The National Planning Association might be requested to bring up to date the Paley Commission Report, 1952, to give us a current estimate of projected industrial raw material shortages which will occur in the United States during the next 20 years. We need to consider what kind of foreign economic policy will be necessary if we are to have continued safe access to these indispensable materials from abroad.



Second. I should like to see special economic reports from the Joint Committee on the Economic Report assessing in detail our own national economic interest in a large-scale, long-term aid program. I would like to have similar reports from the President's Council of Economic Advisers, and I would frankly be interested in comparing the recommendations from the Joint Committee and the Council.

Third. I should like to see the Center for International Studies at MIT be charged with the preparation of a new report on the extent and meaning of the Soviet foreign economic drive.

Fourth. I should like to have a special report from the Institute of International Education regarding its own best informed judgment on the kind of people-to-people exchange projects which should accompany an enlarged economic aid program.

Fifth. Finally, I think we need to examine new methods of bridging the gap between official policy and public opinion as a deliberate device for filling in the gap caused by this administration's chronic lack of Presidential and Cabinet level leadership in explaining our foreign aid objectives to the people. Perhaps a commission of prominent citizens, representing leading national organizations of businessmen, labor, farmers, women, veterans, and religious bodies might serve as a vehicle for a two-way exchange of views between Washington and the country. I would hope that Government observers or participants could play some role in this commission, but they should not direct it. Indeed, I would like to see some of the participants in the recent 1-year foreign aid study conducted by the Committee for Economic Development play a major role in such a commission.

Mr. President, regardless of what elements make up the comprehensive study now proposed by the Foreign Relations Committee, it is equally important that we must pay attention to the results of the study. I have already referred several times in the Senate to the excellent and incisive study by Professors Millikan and Rostow, of MIT, recently made available to the members of the Foreign Relations Committee. We now know that this report is an up-to-date version of one originally sent to the ICA, then FOA, in the fall of 1954, where it has been gathering dust ever since. We must do better than this in the future, or no amount of "studying" will be productive of practical results.

I think, Mr. President, that we will find that the results of any dispassionate study will invite us to expand our economic aid abroad as indispensable to our international policy. In the face of the new economic conflict with communism I, for one, feel that it is even time to ditch some of the past phraseology and overtones of foreign aid in favor of a bold new concept geared to greater overall economic integration of the free world.

The moment when Russians are turning toward economic expansionism is hardly the time for our foreign economic policies to contract. With half of the world's industrial production, we alone

are in a position to render really substantial assistance to underdeveloped parts of the free world—in our own long-term interest. Existence of our so-called food surplus suggests, of course, that our assistance need not be in dollars alone. But against Soviet competition which looks a generation or more ahead, it is simply inadequate for us to rely merely on year-by-year congressional appropriations for foreign aid without some long-term sense of direction and continuity. Reasonable assurances of continued aid are essential if some nations are to mobilize their own funds, enlist public and private investment, and plan ahead intelligently. It is the best way to reassert our world leadership. The administration is underestimating, not overestimating the challenge. On the economic front, it is asking too little, not too much.

Mr. President, time is not necessarily on our side, and I believe we shall come to regret the lack of planning and foresight which the administration has exhibited in the foreign-aid requests this year. I hope that we can still recapture the initiative and, after this interim of relative paralysis, can strike out in a major new economic effort. We should go into such a program with our eyes open, not expecting to purchase either gratitude or allies. Today every underdeveloped nation is struggling to find the investment needed if its industrial growth is to keep pace with the demands of its impatient people. In Asia probably the greatest economic race of the century is now going on between democratic India and totalitarian China, to see which will accomplish the most in the shortest time.

Into this psychological situation come the smiling Russian rulers, brandishing offers of trade and aid, pointing to the significant Soviet economic advances since 1918, and stating the moral: "Where we were then, you are today; where we are today, you will be tomorrow." The underdeveloped world is increasingly impressed.

It is also increasingly comparing Moscow and Washington. For every American politician or administration personality who complains about neutralism saying "Whoever is not with us is against us," some Politburo member is touring non-Communist Asia saying "Whoever is not against us is with us."

Mr. President, what we must seek is the success and stability of these underdeveloped nations themselves, to give them a vested interest in their own and the free world's defense. The alternative is clear. If the underdeveloped nations of Asia, Africa, and even South America, are not able to work out a close economic relationship with us, they will move sooner or later into a close economic relationship with the Soviet Union. That result would be catastrophic—for them, for us, and for the world.

Mr. President, I conclude my remarks on this subject by saying that I hope next year we shall have before us a program which is a little more realistic than the bill we now have. That is the purpose of the amendment I now propose.

With the Soviet Union challenging us on the economic front throughout the world, it appears to me, that it is all to our advantage to call the bluff of the Soviet Union in the United Nations, in the international agencies, and everywhere else.

I should like to see the United States Government take the leadership in a program such as SUNFED. I should like to see our Government stake out guide lines and actually call upon the other nations of the world to match the percentage rate of contributions which we make. I think the sooner we do this, the better the program will be.

I am disappointed in the lack of emphasis in the present foreign-aid bill in its economic assistance aspects. The economic aid provided this year is not provided this year is not proportionately more than it was last year. The increase is primarily in military assistance, and military assistance may very well be frittered away.

Mr. GEORGE. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY of Minnesota. I yield.

Mr. GEORGE. If the Senator from Minnesota will simply delete the date 1958 from his amendment—inasmuch as 1958 would be beyond my present term—and if he will insert the words "in the future" or "for the future," and so forth, then insofar as I am concerned, I shall be willing to accept his amendment, because it relates to the question of the policy.

Mr. HUMPHREY of Minnesota. Mr. President, I so modify my amendment, by striking out, in line 2, the words "fiscal year 1958." As thus modified, the first two lines of my amendment will read:

It is the sense of Congress that in the preparation of the mutual security program—

And so forth.

The PRESIDING OFFICER. The Senator from Minnesota has a right to modify his amendment, and it will be modified accordingly.

Does the Senator from Minnesota yield back the remainder of his time on his amendment?

Mr. HUMPHREY of Minnesota. Mr. President, I am happy to yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of the time available to our side on the amendment.

The PRESIDING OFFICER. All time on the amendment of the Senator from Minnesota to the committee amendment has been yielded back.

The question is on agreeing to the modified amendment of the Senator from Minnesota [Mr. HUMPHREY] to the committee amendment.

The amendment, as modified, to the committee amendment, was agreed to.

Mr. O'MAHONEY. Mr. President, to the committee amendment, I offer, on behalf of myself and the Senator from Arkansas [Mr. McCLELLAN], the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.



The LEGISLATIVE CLERK. In the committee amendment on page 40, in line 25, it is proposed to strike out "section" and insert "sections."

On page 46, between lines 5 and 6, it is proposed to insert the following:

SEC. 538. Furnishing of information to congressional committees: Upon the request of any appropriate committee of the Senate or House of Representatives, any joint committee of the two Houses, or any subcommittee of any such committee, any officer or employee of the Government having information, or having custody of documents or other data, relating to the programs being administered under this act, shall promptly furnish any such information, documents, or other data to such committee or subcommittee.

The PRESIDING OFFICER. How much time does the Senator from Wyoming yield himself on his amendment to the committee amendment?

Mr. O'MAHONEY. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 10 minutes.

Mr. O'MAHONEY. Mr. President, first let me state that I submit this amendment to the committee amendment on behalf of the Senator from Arkansas [Mr. McCLELLAN] and myself. He was kind enough to suggest to me that he would allow me to make a choice between his amendment and mine. It is very difficult to make a choice; the only difference is one of language. However, inasmuch as I am more familiar with the language of my amendment than I am with the language of the amendment of the Senator from Arkansas, I have offered the amendment which I had presented the day before.

Mr. President, the purpose of this amendment to the committee amendment is to meet the very important question of whether the Congress of the United States is entitled to receive from the officers and employees of the Government information with respect to the duties which the Congress by law imposes upon the executive branch of the Government. There has been a growing practice on the part of executive agencies to hide behind the policy—which was inaugurated early in the Government, by President George Washington—of not disclosing matters which are clearly within the initiative of the President, if he feels that the public interest would thus be jeopardized.

Congress has never undertaken by law to interpret the power of the Executive to withhold information, because in the early days of our Government it was not the practice of the departments to refuse to the Congress of the United States information concerning the general laws which were enacted.

However, as I have stated, in recent years there has been a tendency, as the executive branch of the Government has increased in size, for even subordinate officials to withhold from Congress evidence as to what they were doing with the funds appropriated to their agencies by the Congress.

In an opinion submitted to the House Committee on Government Operations, the Attorney General cited some of the

old cases in which the Supreme Court upheld the right of an individual, under the Bill of Rights, to refuse to answer questions irrelevant to investigations which Congress was making. None of those decisions has any application whatsoever to an investigation by Congress of the activities of the executive departments with respect to the duties imposed upon them by law. There is a difference between the right of an individual citizen not to be interrogated by Congress in matters which are protected by the Bill of Rights, and the refusal of an officer of the Government to give the Congress of the United States answers, information, data, and papers which bear upon the execution of the very power provided by the law.

In the opinion by the Attorney General, the case against Mr. Daugherty, a brother of the Attorney General during the administration of Mr. Harding, was cited, but that case clearly held, when it was finally adjudicated by the Supreme Court, that Congress undoubtedly had the right to obtain information bearing upon legislation and bearing upon the interests of the United States.

The constitutional power of the Congress to appropriate money to the executive department is very clearly stated in the Constitution:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

Words could not be clearer. The amendment which we offer tonight is clearly within that constitutional power of Congress, clearly within the constitutional provision which was designed to protect the public funds raised by taxation from the people of the United States.

We have before us a bill which authorizes the appropriation to the President of billions of dollars. These funds are so great that it is utterly impossible for the President himself to expend them, so he must recruit a large office force of individuals whose appointments are never confirmed by the Senate or by the Congress, and who are never known by the Congress. So we propose to insert in a bill a new section, on page 46, between lines 5 and 6. Let me read it again:

SEC. 538. Furnishing of information to congressional committees: Upon the request of any appropriate committee of the Senate or House of Representatives, any joint committee of the two Houses, or any subcommittee of any such committee, any officer or employee of the Government having information, or having custody of documents or other data, relating to the programs being administered under this act, shall promptly furnish any such information, documents, or other data to such committee or subcommittee.

The Foreign Relations Committee, through its chairman, has announced upon this floor its purpose to examine into the methods and the manner in which these funds are expended.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. O'MAHONEY. I yield myself 2 more minutes.

If we do not have this section in the bill, which makes it the duty of the officers and officials who are to administer this huge appropriation to furnish information, we are surrendering the power of Congress to make appropriations.

I shall never forget one day when I was walking from the Capitol to the Senate Office Building with former Vice President Jack Garner. He had been Speaker of the House of Representatives. There had been a considerable debate—upon which subject I have forgotten at the moment, but it affected the delegation of congressional power to the Executive. Jack Garner said to me, "Young man"—I was a young man in those days—"when the dome of that Capitol breaks down, the Republic is lost."

What he meant was that when Congress loses its power to supervise the expenditure of the people's money, the democratic government bequeathed to us by the Founding Fathers is gone.

Mr. President, I yield to the Senator from Arkansas [Mr. McCLELLAN] such time as he may desire.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, I am very happy to be associated with the distinguished Senator from Wyoming in sponsoring this amendment. Without knowing that he had filed his amendment, I had prepared a similar amendment and had it printed, with the intention of offering it. After learning that he had an amendment with the same objective, which I am confident is adequate in its provisions to achieve the results I desire, I was glad to withhold the amendment I had intended to offer, and I am happy to support his amendment.

As chairman of the Government Operations Committee, and particularly as chairman of the Permanent Investigating Subcommittee of the Government Operations Committee, I have had some unhappy experiences in trying to get from the executive branch of the Government information which was considered pertinent and vital, and which would have provided information for the Congress which it should have had in the performance of its legislative function. Some of the documents which have been withheld and denied to the committee have been withheld on the pretext that they were interoffice memoranda, that they were working papers in the executive branch of the Government, and that therefore they were not final in the sense that they represented a final decision, and therefore Congress was not entitled to have such information.

I should like to give a concrete illustration. We are all familiar with the Battle Act, and what it was intended to do. During the course of the discussion of the pending bill, we have heard about the problem of our allies selling strategic materials to our potential enemy, while at the same time they have been receiving benefits from the foreign aid legislation.



After negotiations with our allies as to what materials and goods should be embargoed, and as to which were strategic from a war sense and should not be shipped, in order to prevent the potential enemy from getting what he needs to build up his war machine, 16 countries in all, principally the NATO countries, entered into an international agreement and understanding that certain items, consisting of more than 450 in number and description, were not to be sold by our allies. Such an agreement continued until July 1954, at which time what is known as the COCOM conference convened in Paris, for the purpose of downgrading and decontrolling a number of items which had been on the strategic list and under control and embargo by our own country and by our allies. It is to provide military aid and economic aid to those countries that the pending measure is designed.

Before the COCOM conference met, there was organized within the executive branch of the Government a committee composed of representatives from the different agencies and departments involved. This committee was called the Joint Operating Committee, or JOC. Representatives of the Defense Department and other agencies of the Government came before that committee and made their representations with respect to the strategic value and importance of various of the 450 items which were on the list of materials under control and embargo.

Mr. President, I can say without any fear whatever that my statement can be successfully contradicted or challenged that in every instance where strategic items were later decontrolled, they were decontrolled over the protests of experts and technicians and those most highly qualified in our own Department of Defense.

Mr. President, I am about to say that they were not agreed upon to be decontrolled at the COCOM conference; in the final analysis one man on the Joint Operating Committee made the decision, and his decision was made over the recommendations of the military branch of the Government.

We asked for those papers. We thought we had a right to learn upon what basis a nonmilitary, civil service employee sat at the head of a committee of that kind, and, over the highest and best military advice available to the Government, took that action. Not only that, but the very best advice of experts who were called in from the outside, who were familiar with the use of the tools and the instrumentalities which were under consideration for decontrol, was rejected.

Yet information as to how the processes of the executive branch of the Government work in the expenditure of billions of dollars of American money is denied to Congress on the ground that it is confidential and inside office memoranda and working material of the executive branch, and that therefore Congress has no business looking at it.

What did we find a few days ago? We read an announcement of the publication of a book containing the inside story

of this administration. Of what was that book made up? It was made up, at least in part, by the same character of material and documents, except on a higher level—that of the Cabinet itself—being made available to a private, preferred citizen, a preferred reporter of the press, who was permitted to examine and review the most secret of documents in that area of the executive branch of the Government. He was permitted to use those documents as a basis for the writing of a book for publication for private profit.

That is the issue with which we are confronted. I am not opposed to the book being written. I am not angry or offended that such a book is to be published. Congress can sit silent and quiescent in the face of such treatment if it likes, but I do not propose to be silent about it; I shall register my protest by undertaking by my vote to write into a law, which proposes to spend billions of dollars abroad, a provision which will let Congress have the information on how the inside of the Government works in the expenditure of those billions of dollars.

If the executive branch of the Government is free to make available secret documents to free enterprise and for profit, and for the benefit of a reporter, then Congress certainly should have the right to know what goes on in connection with the expenditure of billions of dollars of mutual-security funds.

I agree with what the able and distinguished Senator from Wyoming [Mr. O'MAHONEY] said about the responsibility of Congress with regard to the purse strings of the Government. The Government cannot spend \$1 unless Congress appropriates it. The money for foreign aid will not be appropriated unless the pending bill is passed. If we pass the bill to authorize the appropriations, let us say at the same time that Congress expects to look at how the money is expended, that it expects to get the records pertaining to the expenditure, and that we wish to know what is taking place.

Mr. President, this is a serious, a vital matter. The executive branch of the Government, on the flimsiest pretense, denies Congress the records of its stewardship with respect to the money Congress appropriates.

I believe it is time to make it a matter of law that when we provide for the expenditure of billions of dollars to aid our allies, as we do by this measure, we have a right to look at how the processes work in connection with such expenditure. I am happy to support the amendment of the distinguished Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I am happy to yield.

Mr. O'MAHONEY. The Senator from Arkansas is chairman of the Committee on Government Operations. In connection with the work of that committee, he has received a great deal of information about the activities of the Government under the laws passed by Congress, and he has also been denied, over and

over again, information by representatives of the executive department. Is that correct?

Mr. McCLELLAN. I can say that is true. Not only has information been withheld, but employees and officers of the Government in the executive department have been instructed not to testify before the committee with respect to matters within their knowledge.

Mr. O'MAHONEY. Do we not know as individual Senators that throughout the world, where this money is going and where contracts for its expenditure are being made, that there are persons and there are governments which are not above corruption?

Mr. McCLELLAN. We certainly know that to be so.

Mr. O'MAHONEY. Is there any basis in logic or patriotism on which any person can say that Congress should not have the power to get information on these subjects?

Mr. McCLELLAN. I will not say that to the constituents I represent.

Mr. O'MAHONEY. Mr. President, I am appalled that on the floor of the Senate tonight there are so few Members listening to the discussion of this amendment. They know the huge amount of money which is authorized to be appropriated and to be expended the Lord knows where by persons whom we do not know under methods of which we have no information and can get none.

Is it not true that we have heard some say that this is an unconstitutional amendment? Is there anything unconstitutional about it?

Mr. McCLELLAN. I do not see anything unconstitutional about it.

Mr. President, I may say, in answer to the Senator from Wyoming, that the Congress, under the Constitution, has the power even to impeach the President of the United States for malfeasance in office. If Congress has the power to impeach the President of the United States for malfeasance in office, certainly it has the power to inquire into the actions and the official conduct of the executive branch of the Government. To say we do not have the power to follow through on appropriations we make is saying that Congress under the Constitution is impotent and powerless.

Mr. O'MAHONEY. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from Wyoming has 4 minutes remaining.

Mr. O'MAHONEY. Mr. President, we hope there will be some voice raised in opposition, if there be any opposition to the amendment.

Mr. President, it is 20 minutes to 8. I ask unanimous consent that a quorum call may be had without taking any of the 4 minutes remaining on the part of the supporters of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.



Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Four minutes remain under the control of the Senator from Wyoming, and there are 30 minutes in opposition to the amendment.

Mr. KNOWLAND. Mr. President, I yield myself 10 minutes or so much thereof as I may need.

Mr. President, I rise in opposition to the amendment offered by the Senator from Wyoming. I subscribe to the point of view that the Congress of the United States has a right to get the information which it needs in the performance of its legislative duties.

In the Foreign Relations Committee on which I am privileged to serve, and in the Committee on Appropriations on which I serve with the distinguished Senator from Arkansas, we have time and time again made requests for information—even information of the highest classification the Government of the United States possesses—and it has been forthcoming. There has not, to my knowledge, at least, been a single bit of information withheld in relation to our mutual-aid program. The State Department, the Department of Defense, the International Cooperation Administration, have brought up and laid before the committee all the details. We have had the testimony of the highest officials of the Government. Members of the committee who were not satisfied that certain pieces of information had been developed in the official presentation requested additional information, and such information was furnished to the committee.

I do not believe a single member of the Committee on Foreign Relations will say that there has been one iota of information withheld by the State Department, the Defense Department, or the International Cooperation Administration in regard to the important measure which is now before the Senate.

I do not know of a single instance of information having withheld from the Committee on Appropriations when that committee desired it.

I have had some contacts with some of the members of the Committee on Government Operations and learned that certain information to which they felt they were entitled had not been given to them. I personally discussed the matter at the highest levels of the Government and pointed out that, in my judgment, at least, the committee was entitled to have that information in the performance of its legislative duty. I was informed that representatives of the executive branch did go before the committee and present the Battle Act list and certain other information under a security classification. I am not in a position to know whether the classification put on that information was justified or not. I believe it was done, however, in the

discretion of the official. But I was told that the information had been presented to the committee.

I recognize that under the Constitution, if Congress has a deep and a vital interest in getting a particular piece of information, and if Congress wants to fulfill its constitutional responsibilities, there is a way Congress can get the information, and that is by saying to any administration, whether it be a Republican or Democratic—and I hope this will not happen if the matter is not of the gravest concern to Congress—"Under the Constitution Congress has control of the purse strings. If we do not get the information, you will not get the money to operate the Department."

There is no doubt that Congress has the power to say to any administration, "If Congress does not get the information, you will not get the money with which to operate the Department or the agency or the policy."

But that is an entirely different sort of situation from making public every interagency memorandum and personal conversation. From George Washington's time, the Executive has challenged—and I think has properly challenged—every attempt to invade the right of the President of the United States to consult with his advisers in preliminary discussions leading up to the final determination of a policy.

We know that the committees of Congress are always busy. The responsibilities of all of us are spread very thin in order to carry on our work so the burdens are sometimes passed on to subcommittees. Then, in conducting our burdensome duties in Congress, sometimes the subcommittees become subcommittees of one. Then, sometimes a subcommittee of one becomes so busy that the work is passed on to the staff.

If the information desired by a committee is to be obtained according to the intent of the amendment, pretty soon we shall have staff members demanding of the executive branch of the Government certain information, much of which is entitled to be confidential in nature.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. O'MAHONEY. Does not the Senator from California acknowledge that there is nothing in the amendment which would enable any staff member to demand anything of any department? The amendment is carefully drawn so as to provide that the authorized committees shall have the right to obtain the information.

Mr. KNOWLAND. That is the point of view of the Senator from Wyoming on the situation. But I say that in past administrations there has been a general searching out of information generally. I think it is clear that from the first administration in our country's history there has been on this question a difference of opinion between the executive branch and the legislative arm of the Government.

All I point out is that if the subject is important enough, Congress has the power to get the information. But it will require the power of the Senate or

the House of Representatives as a body to get it by saying to the executive branch, "If you do not give us the information, we will not give you the funds." On that basis, I think we are standing on sound constitutional ground.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. I myself am in favor of the purpose of the amendment, but I shall vote against it. My reason for doing so is that I think a question of this magnitude should be considered on its own feet and be voted up or down accordingly. I do not think this is the time to offer such a proposal, because I do not believe it will have any force so far as the President is concerned.

If a bill were reported by the Committee on Government Operations, which I believe has had some trouble along this line, as have other committees, then I think the matter would be given more consideration, and I would be willing to vote for such a bill. If a measure of that kind could be passed, and then there was any difficulty, the question could be taken to the Supreme Court for final adjudication.

I have been somewhat disturbed by the information contained in the book published by Mr. Robert Donovan, of the New York Herald Tribune, because evidently this man, who has no official connection with the Government, but is an excellent reporter, has written an exceedingly good book, and has had access to information which the senatorial committee, duly authorized, has not been able to acquire.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KNOWLAND. I do not wish to engage in a detailed discussion, but books have been written in past administrations, including recent administrations, the material for which undoubtedly was withheld from Congress, or at least was not made available to Congress, but was published as memoirs, or otherwise, for profit.

Mr. MANSFIELD. But none of them was written so well as this one, or so interestingly.

Mr. JACKSON. And the timing was perfect.

Mr. KNOWLAND. For whom?

Mr. SPARKMAN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. SPARKMAN. I suppose all of us are in accord with some of the points which have been advanced as to the desirability of Congress being given the information it needs. I share very much the feeling of the Senator from Montana, provided a proposal such as the one contained in the amendment offered by the Senator from Wyoming has been worked over by a committee and reported to the Senate in a form which is believed to be constitutional. The amendment as offered relates only to programs carried on under the Mutual Security Act.

In dealing with the mutual security program—in fact, in dealing with all the programs with which the Committee on



Foreign Relations deals—is the Senator from California aware of any time or any occasion when the committee has been denied any information which it requested from any department of the Government relating to the program under consideration?

Mr. KNOWLAND. I will say categorically that I do not know of a single instance, in the period of time I have served on the Committee on Foreign Relations, and during the entire consideration of the bill, when there was a single item of information which was denied the Committee on Foreign Relations.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KNOWLAND. I yield myself an additional 5 minutes.

Mr. SPARKMAN. I wonder if we might consider one example which arose in the course of the hearings. The Senator from California will remember that in discussing problems relating to Turkey, for instance, mention was made of the Randall Commission report, which was a highly classified document at the time. I said I thought it would be helpful to the committee if the report were made available to us. Promptly, the Randall Commission report was made available to the committee. The same thing has been true of many other documents and pieces of information which the committee has required. Is that not true?

Mr. KNOWLAND. That is correct; and some of them have been of the highest type of classification.

I happen to serve also on the Joint Committee on Atomic Energy, of which the distinguished Senator from New Mexico is the chairman. The topmost secrets of the Government are made available daily to that committee. The committee is in constant contact with the Atomic Energy Commission, and the fullest of information is supplied. There is no information in that field which is denied to the Joint Committee on Atomic Energy.

Mr. SPARKMAN. Certainly so far as the operations under the mutual security program are concerned, the Committee on Foreign Relations has never had cause to complain, has it?

Mr. KNOWLAND. No; I believe that is correct.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. This is a subject which has interested me during all the years I have been in the Senate. It involves a fundamental question. If such a procedure is to be adopted, it should be adopted on its own merits, and should not be tied in to the mutual security bill.

Furthermore, the language of the amendment is so broad that, as I interpret it, under the phrase "any such information, documents, or other data," Congress could ask for a man's personal opinions or for his personal papers, and the committee would be entitled to get them.

I heartily agree with what the Senator from California has said. I hope that if the question comes before the Senate for

consideration, it will come in the way the Senator from Montana has suggested—namely, on its own feet—and that there can be a good, clear debate on a very important question.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FULBRIGHT. I am very sympathetic to the objective of the amendment. With reference to the administration, I may remind the Senator from California that the day before yesterday, in a subcommittee meeting, the Administrator of the USIA refused to furnish information which I requested. I do not know whether the refusal is final or not. It was as of that time. I think the Administrator will refuse to give it. But I hope the administration will keep its record as unblemished in that instance as the minority leader thinks it is generally. However, I think that was an arbitrary attitude on the part of the Administrator.

I believe the matter should be handled on its own merits in a separate bill, because this poor bill dealing with foreign mutual aid has so many obstacles to overcome to get enacted that I would hate to include in it a provision wholly controversial in its nature and involving a constitutional question. I would vote for a bill which would accomplish what the amendment seeks to accomplish, because I think certain agents have been arbitrary. I think Mr. Streibert was arbitrary the day before yesterday. The Senator from California was there. He knows what Mr. Streibert refused to furnish to the subcommittee.

Mr. KNOWLAND. In fairness, I will say this to the Senator. I sat in that hearing. I had to leave before it was finally concluded. I did not interpret the statement of Mr. Streibert, in response to the inquiry, as being a refusal to furnish the information requested. I think he pointed out reasons why he felt the information should not be furnished. I do not think the distinguished chairman of the committee, who is also chairman of the subcommittee, pressed him or asked the committee to vote to get that information. If the Senator feels it is essential that he have that information, I shall certainly be prepared, as a member of the committee, to support him in efforts to get it, and I am confident he will get it. I am sure the Senator knows some of the background with regard to that information, and why Mr. Streibert felt he should not release it at that time.

Mr. FULBRIGHT. I say, I hope he does keep the record clear. It was a tentative refusal. He said he did not wish to give the information; he was not ready to give it; he had reasons why he did not want to give it.

The Senator from California is correct when he states the witness was not pressed at that time. It was the first hearing on that subject. I was not sufficiently sure in my own mind whether the committee should have the information.

I have come to the conclusion that to clutter the bill with a very controversial matter is not very good procedure. We shall have enough difficulty enacting the pending legislation, without including in it a major problem which affects many

other activities of the Government, and using this bill as a guinea pig. That is my only objection to the proposal. I think it has great merit as a separate proposal, and that something should be done about the matter.

Mr. KNOWLAND. I wish to thank the Senator from Arkansas for his remarks.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The time of the Senator from California has expired.

Mr. O'MAHONEY. Mr. President, will the Senator allow me time?

Mr. KNOWLAND. Yes.

Mr. O'MAHONEY. I merely wish to say—

The PRESIDING OFFICER. The Senator from Wyoming has 4 minutes on his own time.

Mr. O'MAHONEY. I shall not use the whole time remaining to me. I wish to point to an instance in which former Governor Stassen issued a statement at Denver, Colo., saying that, under a Presidential directive, he was going to expend some \$10 million, just before the last election, for the purchase of coal. There never was a Presidential directive to that effect, but millions were spent for that purpose.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSTON of South Carolina. Does the Senator recall how much Mr. Stassen spent to send some friends abroad to play Santa Claus?

Mr. O'MAHONEY. No.

Mr. JOHNSTON of South Carolina. If the Senator will examine the record, I think he will find out how much Mr. Stassen spent.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. McCARTHY. In connection with the statement made by the Senator from Alabama [Mr. SPARKMAN] with respect to information being denied, I want to ask the Senator if he knows that Mr. Stassen appeared before the Appropriations Committee and admitted that, in addition to a classification for security reasons, he had a new classification in the mutual-aid program, whereby he stamped documents "for official use only," and practically any aid administering the mutual-aid program could so stamp documents and they would not be available to the Appropriations Committee.

Mr. O'MAHONEY. Mr. President, do I have any time remaining to me?

The PRESIDING OFFICER. The Senator from Wyoming has 2 minutes remaining to him.

Mr. O'MAHONEY. Let me say a word in conclusion. Every Senator who votes against this amendment, even though it is applied only to the pending bill, is by his vote saying to all the hundreds and thousands of employees of subordinate grade in the executive departments expending these billions of dollars that they need not make an account thereof to the Congress of the United States. All they have to do is refuse, under the umbrella of the Executive stamp of secrecy.

Mr. SPARKMAN and Mr. KNOWLAND addressed the Chair.



The PRESIDING OFFICER. Does the Senator from Wyoming yield, and if so, to whom?

Mr. O'MAHONEY. I have only 1 minute remaining.

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I for one plan to vote against the amendment. I certainly do not subscribe to the idea which has just been stated by the Senator from Wyoming [Mr. O'MAHONEY], and I am not willing to have those words put in my mouth, because I am making no such statement. I believe information required by committees in order to do their work ought to be supplied. I have said that, so far as the Foreign Relations Committee is concerned, and I limit it to that, we have been amply supplied with the information we have requested.

Mr. THYE. Mr. President, will the Senator yield to me?

Mr. KNOWLAND. I yield 1 minute to the Senator from Minnesota.

Mr. THYE. I propose to vote against the amendment. I do not think the Senator from Wyoming, by the statement he made, had any intention to convey the idea to those of us who are present in this Chamber, or to those who may read the RECORD that the executive agencies which administer this fund would deny to the Congress the right to any information concerning the funds which had been expended.

Mr. KNOWLAND. I fully concur in the statement made by the Senator from Minnesota. If anyone in any executive agency capriciously seeks to keep information from the Congress, he had better read the Constitution with reference to the congressional control of the purse-strings. There is no question in my mind that if Congress want information badly enough, it can either get it or cut off funds for the agency refusing to give the information requested.

The PRESIDING OFFICER. Does the Senator yield back the time remaining to him?

Mr. KNOWLAND. I yield back the time remaining to me.

Mr. O'MAHONEY. I yield back the time remaining to me.

The PRESIDING OFFICER. All time on the amendment of the Senator from Wyoming has been yielded back. The yeas and nays have been ordered on the amendment, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. DANIEL], the Senator from Rhode Island [Mr. GREEN], the Senator from Kentucky [Mr. HUMPHREYS], the Senator from West Virginia [Mr. LAIRD], the Senator from Washington [Mr. MAGNUSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Texas [Mr. DANIEL] is paired with the Senator

from Kentucky [Mr. HUMPHREYS]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Kentucky would vote "nay."

On this vote the Senator from Rhode Island [Mr. GREEN], the Senator from West Virginia [Mr. NEELY] and the Senator from North Carolina [Mr. SCOTT], if present and voting, would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State Convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senators from Kansas [Mr. CARLSON and Mr. SCHOEPEL], the Senator from Iowa [Mr. MARTIN], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

If present and voting, the Senator from Kansas [Mr. CARLSON], the Senator from Iowa [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPEL] would each vote "nay."

The result was announced—yeas 23, nays 58, as follows:

#### YEAS—23

Bible	Humphrey,	McClellan
Bricker	Minn.	Murray
Chavez	Jackson	O'Mahoney
Douglas	Johnston, S. C.	Stennis
Eastland	Kennedy	Symington
Ellender	Langer	Williams
Ervin	Long	Wofford
Frear	McCarthy	Young

#### NAYS—58

Aiken	George	Millikin
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Barrett	Hayden	Mundt
Beall	Hennings	Neuberger
Bender	Hickenlooper	Pastore
Bennett	Hill	Payne
Bridges	Holland	Potter
Bush	Hruska	Purtell
Butler	Ives	Robertson
Case, N. J.	Johnson, Tex.	Saitonstall
Case, S. Dak.	Kefauver	Smathers
Clements	Kerr	Smith, Maine
Cotton	Knowland	Smith, N. J.
Curtis	Kuchel	Sparkman
Dirksen	Lehman	Thye
Duff	Malone	Watkins
Dworshak	Mansfield	Weiker
Flanders	Martin, Pa.	
Fulbright	McNamara	

#### NOT VOTING—15

Byrd	Jenner	Scott
Capehart	Laird	Wiley
Carlson	Magnuson	
Daniel	Martin, Iowa	
Green	Neely	
Humphreys,	Russell	
Ky.	Schoepel	

So the amendment offered by Mr. O'MAHONEY, for himself and Mr. McCLELLAN, to the committee amendment was rejected.

Mr. JOHNSTON of South Carolina. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the committee amendment, it is proposed to insert the following:

That after the expiration of 90 days following the effective date of this act none of the funds appropriated for furnishing economic assistance to foreign countries shall be obligated for expenditure until the exemptions for taxpayers and their spouses and dependents have been increased to \$700.

Mr. JOHNSTON of South Carolina. Mr. President, the reason I am offering the amendment is to call attention to the situation which exists in the United States today: That we cannot afford to increase the exemptions for dependents from \$600 to \$700, but we can give away billions of dollars to foreign countries.

I have always been against giving away our money to foreign countries. This foreign-aid bill which is now before the United States Senate contains provisions for the giving away of billions of dollars of American income to foreign governments.

The money in this bill will be collected in the years to come from the taxpayers of the United States. It represents hard-earned dollars of American workers and American industry. It is a pity that no provision is contained in the Constitution of the United States to require Congress, when money is given away like this, to notify the taxpayers with little pink slips, as faithfully as they receive their income-tax notices, and to tell them, "We in the Senate today gave away billions of dollars to foreign governments for which you will be billed next April 15." Then, if we changed general election day from November to April 15, I believe there would be some changes made in the way we give away the taxpayers' money abroad.

I do not oppose foreign giveaway programs for reasons of political expediency. I oppose them from a practical, logical standpoint in the interest of the American taxpayer and the welfare of this country. Certainly, if I had politics in mind regarding foreign-aid programs, I would have been supporting them years ago when they were popular. I remember well that in 1950 when I was seeking reelection, my opposition to foreign aid was thrown at me from every stump in South Carolina. But with consistency and with the welfare of my people at heart, I have stuck with my position throughout the years.

My opposition to foreign giveaway programs has always been based upon logical reasoning considering what would happen as a result of these programs. I warned, on many occasions, that our program to develop the so-called undeveloped and underprivileged areas of the world would backfire.

I warned that if we helped to industrialize new or degenerated industrial areas, low world raw material prices and cheap labor would cause us to lose our world markets. Never did I dream that this administration would lower import quotas to this country so that we would even lose our domestic markets. But this is what they did at Geneva when the State Department signed the GATT treaty.

I warned that if we built dams and furnished equipment and money for irrigation and other assistance to develop agriculture abroad we would live to see our farmers suffer from foreign competition.

These two warnings went unheeded; and today the farmers of America and the textile industry and workers of America are suffering more than at any time since the great depression result-



ing from the last Republican administration.

I made a third, and yet unheeded warning, that eventually we would be expected annually to support our foreign beneficiaries as regularly and as firmly as we do ourselves. I also predicted that the cost of this program would prevent us from ever paying off the national debt and from ever bringing substantial tax relief to our people.

My colleagues, such is the case today. Were it not for foreign aid today we would be balancing our budget, retiring our debts, and cutting taxes. Foreign governments still owe us more than \$17 billion from World War I. I ask, what good did all this aid from World War I accomplish? Italy received over \$2 billion from us but it did us no good in 1939 or 1941. At the outset of World War II, France owed us over \$5 billion, and England over \$7 billion from World War I, but we had to start all over in 1939 with lend-lease and again with more aid after World War II, until the present day.

During World War II we loaned more than \$42 billion to foreign governments, including over \$10 billion to Russia, nearly \$30 billion to China, and \$18 million to Yugoslavia. I need not ask what this money, material, or whatever it was, accomplished at this time. Certainly it had its effect in winning World War II, but it made no friends for us. There is no gratitude for the mutual aid rendered at that time.

I think it necessary to point out here that only recently it was disclosed that cotton raised in Egypt was being traded off to Red Czechoslovakia for arms which were being used by Egypt to create a crisis in the Near East. This is the same Egypt the State Department wants to send money and technical aid to assist in the construction of dams and irrigation projects to help Egypt develop its arid lands. She will, of course, grow more cotton which will further glut the world market and hurt our cotton farmers. Only 2 weeks ago Egypt flaunted its Communist-supplied military might before the free world in a display of Middle East strength. Obviously, our previous aid of more than \$26 million to country did little good in her behalf.

But the principle figure of note is the post World War II grants we have given foreign countries. This figure is well over \$51 billion, all of it going for agricultural, industrial, and other so-called "recovery" programs for so-called "war weary" and "war torn" countries of the world.

In addition to these programs, we have donated nearly \$3 billion to the International Monetary Fund and about one-half billion dollars to the International Bank.

The grand total of these figures is \$117,042,902,280.07. Yes, that means we have loaned and given away more than 117 billion dollars to foreign countries with no expectation of ever getting it back.

Mr. President, the picture is very black as I see it. The leadership has failed us. We have daily distortions from the White House and executive offices that are devised to fool and divide us.

The one-world theorists are firmly entrenched and our only weapon to curtail their subtle program of amalgamating America with the rest of the world is to cut off their money. These people I speak of in the State Department and elsewhere want to do away with every conceivable difference between us and the rest of the world. For years they have been working like beavers tearing down trade protection barriers, immigration walls, money exchanges and the like until it is now easier for a foreign government to contact and get assistance from Washington than it is for an American citizen.

Frankly, I am fed up with it all and I think it is time Congress woke up to what is going on.

I want to use the American textile industry as an example of what can and will happen to every taxpayer, worker, business and industry in America if we fail to alter our course. It all takes a pattern, and I believe the pattern in the textile industry fits the situation precisely. When I refer to the textile industry, I mean every textile employee and the small main street businessmen who depend upon the textile economy.

After World War II, we undertook a program to rehabilitate poor war-torn, war-weary Japan. Nobody then worried about the war-weary, tax-burdened, ration-ridden American public.

Out went the dollars to Japan. We gave \$3 billion in aid to Japan. As late as last year, we gave over \$30 million to Japan. In addition, we have authorized credit and loans up to \$620 million to that country. This was coupled with technical aid, patent rights, machinery, and other guidance—all of it going to build up the Japanese textile industry. It was a plaything at first. Then, as we relaxed our grip and settled back in our easy chair feeling like sanctified philanthropists, the Japanese textile industry began growing like a fire out of control. In a short time the Japanese industry had surpassed its home consumption and began reaching out for foreign markets. First a little here, a little there, and then came GATT.

The same silk-gloved hands of the one-world theorists that had dipped into our Treasury and industry to put the Japanese on their feet—these same top-hatters who have asked us once again to dip into the Treasury to help other countries—these same State Department officials—delivered the death blow to our textile industry at GATT and thereby took one more step in their program to internationalize America. They gave the Japanese tremendous concessions on trade agreements, allowing the Japanese to strike at our domestic markets in full force with their cheap textile products made with 15 cents an hour labor, and 25 cents a pound world cotton.

When the GATT agreement was announced, I denounced it and warned that the American textile industry was operating on a thin profit margin of less than half of what other industries were operating under.

I stated last year on June 15 that the textile workers of America would remember Geneva June 7 as infamously

as we all remember Pearl Harbor December 7.

On June 23, 1955, I announced I would support an import quota program to halt Japanese goods from coming into America and destroying the industry. I was met with implications from the administration that I was shooting at bugaboos and no threat to the textile industry existed.

On July 2, last year, I wired the President of the United States urging him to intervene and correct the damage done at GATT before it seriously affected our domestic textile industry and caused a depression.

I was advised that no serious threat to the industry existed, and that if the industry was suffering that it should either seek relief through the Tariff Commission or through the Secretary of Agriculture.

I would like to state here that little relief for the textile employees and industrialists of America can be expected from the Tariff Commission.

In the first place, the workings of the Commission are so slow and cumbersome that by the time it gets around to acknowledging trouble and the need for help, the industry concerned is usually already gone on the rocks.

The velveteen industry is a good example of the situation. One of three mills in this industry producing velveteen has already gone out of business, and the Commission is just now completing the holding of hearings on the velveteen industry's plea for help which was filed over 6 months ago.

In 6 months a depression can swoop down and close the entire textile industry while the Commission deliberates such problems. Furthermore, at these belated hearings last week, one of the most terrible examples of mis-use of authority I have ever heard of took place. I have it on unimpeachable authority that representatives of the American textile industry appearing before this American Commission for relief to save jobs of American workers and American industry, were subjected to cross-examination by representatives of foreign governments, namely, Japanese industrialists who are so opposed to textile quotas.

I am reliably informed, however, that when these foreign representatives got into questions regarding manufacturing techniques of the American industry, the Commission very graciously advised the American representatives they did not have to answer such questions.

To me, the fact that foreign government representatives were even allowed to cross-examine Americans before an American Commission is revolting and represents the degeneration that has taken place in bureaucratic government. It points up the need for Congress to personally take up this matter and to obstruct any such future situations by halting all this foreign aid.

On July 22 an army general in Japan stated that "hardly more than passing concern" should be shown by Americans toward the increasing flow of Japanese textiles to this country. I immediately denounced this general's statement and



declared the textile industry of America was at the breaking point.

At intermittent times until January of this year I protested the administration's callous attitude toward the textile industry's plight and in January of this year I pleaded with Secretary of Agriculture Benson to recommend to President Eisenhower to apply textile import quotas against Japanese goods and save the industry from further ruin and depression. By this time there was already a rumble or two within and without the textile industry of impending disaster. Already some mills had slackened their production.

On February 13 Secretary of Agriculture announced he would not recommend to the President to do anything to relieve the American textile industry through the use of section 22 of the Agricultural Act and application of textile import quotas.

I immediately informed Mr. Benson on February 23d that his Department's study and recommendations that no action be taken was a complete whitewash inasmuch as the figures used by the Department for this study were inaccurate and incomplete. At that time I furnished Mr. Benson with further figures which, of course, received no favorable reply.

Later this year, I wrote Secretary of Commerce Sinclair Weeks regarding a statement of his which appeared in the leading press publications quoting him as stating the textile industries face "serious problems." Among other things Mr. Weeks said that textile imports from foreign countries to the United States "have seriously affected some segments of the domestic textile industry, particularly the producers of velveteens, gingham, garments, and some other cotton manufactured goods."

I pointed out to Mr. Weeks in my letter that the Bates Manufacturing Co. in Maine had cut production 20 percent at two of its major divisions, and advised him of the curtailment of production at a dozen other mills involving the incomes and job security of nearly 12,000 textile workers. At that time among the mills affected were Berkshire-Hathaway, which cut production 20 percent at three Fall River, Mass., plants, and one at North Adams, Mass. At the same time I advised him that Ervin Mills in North Carolina had cut down to a 4-day workweek as had Aragon Mills in Georgia. Brookside Mills, in Tennessee, has halted production of 1,000 looms and was considering closing down completely. Since that time another mill in New England has closed.

In my own State just 2 weeks ago screaming headlines in the local press announced the complete and unconditional closing down of the Camperdown Mill in Greenville. This mill has been in operation for 84 years and only once before during the dark depression had it ceased to operate. It was at this mill many years ago that my own mother as a young girl had worked.

This latest development has thrown more than 250 people out of work. In announcing the closure of the mill, Sydney Bruce, president of the company, stated flatly that Japanese gingham im-

ports into this country were directly and unquestionably responsible for the closing of his mill. I wish to quote here the exact words of the president of this mill:

With the ever-increasing volume of imports of Japanese gingham into this country, the market for carded gingham, which we produce, has substantially disappeared.

We have been operating at a loss for the past 2 years, and our inventories of finished goods have been growing until they have reached alarming proportions.

We have made every possible move to attempt to find purchasers for our goods, but in the face of Japanese competition we have been forced to the conclusion that it is impossible for Camperdown Co. to continue in operation.

No business can continue to operate if it cannot sell its product.

Mr. President, I might add here, no American business can continue to operate when faced with unfair competition from a foreign industry which is not only subsidized by the American Government but is given special privileges on the American market.

On June 6 one of the Nation's best known and largest mills announced it was curtailing production and postponing indefinitely a \$10 million expansion program in South Carolina "because of Japanese throatcutting" in the industry. Col. Elliott White Springs, president of Springs Mills, advised the Chester (S. C.) Chamber of Commerce in his announcement:

I wrote you on February 24 that, due to Japanese competition, we had to change our balance and this gave us a surplus of yarn. Therefore, we either had to curtail our production or install additional looms. We don't like to curtail.

After your chamber offered us every cooperation to put the looms in Chester, I wrote you that I would consider enlarging the Eureka plant if I could get permission from the Seaboard to encroach on their property, that I would consider enlarging Springsteen if something could be done about city taxes, and if something were done about Japanese throatcutting.

Since that time the Japanese situation, instead of improving, has deteriorated considerably. They are gaining on us every day. We gave them new machinery as reparations for Pearl Harbor, and the CCC (Commodity Credit Corporation) sells them the same cotton I buy at 10 cents a pound less. We have always been able to meet competition without tears, but we can't lick the State Department, the Secretary of Agriculture, GATT, OTC, and the \$64 billion giveaway program while Congress twists our arm.

Therefore, we have been forced to revise our plans and, instead of expanding, we are going to have to curtail. It is with regret that I tell you reluctantly the Springs cotton mills operations will be reduced indefinitely, and that we will have to postpone our plans for installing additional looms.

By "indefinitely," I mean until my customers find out that all that is yellow is not gold, or the public decides our textile industry is not part of foreign aid. If this meets with the approval of the people of Chester, I suggest they write President Eisenhower and tell him how much they love Secretary Dulles.

Prior to Mr. Springs' announcement the South Carolina textile manufacturers, meeting at Sea Island, Ga., issued a new plea for the administration to render assistance to the industry. Meanwhile, more reports from other States indicate further cuts can be ex-

pected in the industry. The reports are almost daily, following the same pattern of curtailed production, short workweeks and closing mills.

Another recent development has been the placement of the Kendall Mills in South Carolina on a 4-day workweek, which is seriously affecting the incomes and business stability in the Pelzer area of my State.

The American textile industry last year made an average profit of only 2.4 percent of its total sales. All other industries in the Nation made an average net profit of 5.3 percent which is nearer a normal profit margin. The Japanese industry, to the contrary, by its own admission, currently is making an average profit of more than 12 percent, or nearly 6 times that which the American industries are making. Let me read a Tokyo dispatch appearing in the Cotton Trade Journal, which is the international weekly newspaper of the cotton industry:

TOKYO, June 9.—Japan's "big ten" cotton spinners, who claimed to be in bad financial shape in October 1955, ended the next 6-month period in April 1956, with profits that averaged about 12 percent. A "big ten" spokesman claimed that in April 1956, spinners were making a little over \$50 a bale when made up into cotton piece goods.

The "big ten" also manufacture rayon and wool fabrics, and reports indicate that profits on these have been good. But cotton had the best record, doubling the 1955 May-October period profits during the November 1955-April 1956 period.

As a result all 10 companies have decided to increase capital and have predicted that the business term ending in October 1956, would see even greater profits.

In every case of retrenchment by the American textile industry—in every case of a closing mill—in every case of announced layoffs or curtailed production—the officials and the workers involved have blamed without reservation the influx of cheap Japanese goods to this country.

Mr. President, how can anyone meet that kind of competition? It is a question of 15 or 16 cents an hour labor competing with \$1 and \$1.60 an hour. American workers are paid 10 times as much as the Japanese workers are paid. I do not say that that is too much to pay our workers. I believe that they ought to be paid even more. However, that is the kind of competition we must meet.

Despite the charges of the industry and responsible officials in the textile world that the Japanese imports are to blame for their difficulties, the administration, through its international-minded diplomats, has callously ignored the situation and has, instead, insisted that the Japanese imports are not affecting the industry.

It is not only a question of the amount of the material that comes back to the United States. The Japanese are forcing the market down. For example, in the field of cloth, the Japanese producers will make a raid on velveteen. They make their sales in that field. The market goes down. Then they pick out towels, and the price of towels goes down. The American producers cannot meet that kind of competition. Then they will turn their attention to sheets and



pillow cases. They take the articles one at a time, until they force the market down and until the American mills cannot meet the competition and cannot keep the wheels rolling and cannot keep our workers employed because of the unfair competition. Foreign aid has done that.

Two weeks ago Monday a delegation of citizens from Chester, S. C., met at the State Department to urge some relief be given to the American textile industry and brought with them a petition bearing the names of 5,000 citizens of that county who are suffering economically as result of the depression now sweeping the textile industry.

I advised the Senate of this meeting at that time, but what I did not know was what the administration would say at the meeting. The Assistant Secretary of State in charge of far eastern affairs, backed up by a battery of 14 officials from the State Department, the Agriculture Department, and the Commerce Department, flatly stated that the textile industry of America was not being affected by Japanese imports to this country.

This high official declared that the American textile industry was using the Japanese imports to this country as a convenient scapegoat. This official said, "If we did not have any Japanese textile industry, the American textile industry would still have the problem now confronting it." He even went so far as to say that if the Japanese Islands were to sink in the Pacific Ocean, the American textile industry would still be closing its mills and idling its employees. He said the people had been completely misinformed and that the Japanese textile industry was being used as a whipping boy.

Those who attended the meeting were astonished at the stubborn position held by this official. One would think we were discussing an American problem with an official of the Japanese Government and not a representative of the United States. They claim to hold sympathy for the industry, but they callously ignore the situation and continue on their road of appeasing the foreign industrialists at the sacrifice of the American industry.

I wish to remind the Senate of the now famous "Dear Joe" letter that Ike sent minority leader of the House of Representatives, JOE MARTIN, last February 17. President Eisenhower, in that letter, among many other generalities, told Mr. MARTIN, and I now quote from his letter:

I wish also to comment on the administration of this legislation if it is enacted into law. Obviously, it would ill serve our Nation's interest to undermine American industry or to take steps which would lower the high wages received by our working men and women. Repeatedly I have emphasized that our country's economic strength is a pillar of freedom everywhere in the world. This program, therefore, must be, and will be, administered to the benefit of the Nation's economic strength, and not to its detriment. No American industry will be placed in jeopardy by the administration of this measure. Were we to do so, we would undermine the ideal for which we have made so many sacrifices and are doing so much throughout the world to preserve.

Mr. President, we have Mr. Eisenhower's promise. I ask now where is the fulfillment from him or the executive department at his command?

To complete the picture of what is happening, I believe you should certainly be advised of a comment or confidence given to the Japanese by Secretary of State Dulles recently. The Japanese reported out of Tokyo that Mr. Dulles had told them: "We confirm"—"we" being the United States—"that no import restrictions will be put into practice." This statement came on June 17 on the heels of Secretary Benson's confused announcement which he backed out of the next day to the effect that the administration was considering the imposition of textile import quotas.

Now, I ask the United States Senate this question, who is keeping their promise and who is not telling the truth?

The President has promised that he would not let this program hurt any American industry.

The Secretary of Commerce has stated that the American industry is being hurt and has admitted such publicly.

Every official of the cotton industry has stated flatly that the textile industry of America is in a curtailed condition and faces serious depression unless something is done.

Presidents of companies, heads of unions, workers, and others in the textile industry have blamed the Japanese imports to this country for the closing of every mill and the general curtailment within the industry.

The State Department, however, brands as a fraud this allegation of the textile industry and claims the Japanese industry is being used as a "whipping boy." In my way of thinking, the State Department, which is very apparently running the whole show, has practically accused the American workers and the American industry of lying to the people of this country.

I see the chairman of the Agricultural Committee is present on the floor. I think he knows that when bills are introduced which would help the farmers the inquiry is always made as to whether they would benefit foreign interests, thus throwing a block in the way of anything which would help our own people.

The State Department has taken the position of defending the Japanese industrialists against the American people.

It is high time that the United States Senate take action to see to it that the American textile industry is protected and that no such dilemma ever again recurs in any other field of American business, labor, or industry. I shall certainly take the word of my people, of the leaders of the textile industry, of the workers in those mills, and of the people in the street who are suffering because of this depression in the textile industry before I will take the word of a State Department official—and I hope this United States Senate will do likewise.

The United States is the only country which helped the Japanese get on their feet and is now allowing Japanese textile goods to come into its borders on a wholesale basis. Fourteen countries who participated in the GATT treaty

have refused to allow Japanese textile goods to come into their borders. These countries include Australia, Austria, Belgium, Brazil, Cuba, Luxembourg, Haiti, Great Britain, South Africa, New Zealand, the Netherlands, France, and Rhodesian-Nyasaland. If Great Britain and those other countries will not allow any Japanese textile imports within their borders, why should we continue to allow them to come in on a wholesale basis and idly sit by and watch our textile industry go broke and our textile workers walk the streets without jobs?

The State Department and other Government agencies responsible for this problem cite as their principal reason for not imposing textile quotas on Japanese goods the fact that the Japanese have announced they will place self-imposed restrictions on their imports to the United States. This is a ridiculous situation in which we are placing the welfare of our industry and people at the mercy and whims of the Japanese industrialists.

Shortly after the Japanese announced their voluntary quotas, a little-publicized news release from Tokyo announced that the Japanese Government's insistence on quota limitations on imports to the United States are, "Designed to forestall a move in the United States Congress to enact import quotas when it reconvenes in January." In other words, there is no good faith in this voluntary program but simply a device to fool and divide us.

There are many more facts and figures and comments and information regarding the situation in the textile industry which I could have brought with me today, but I do not believe it is necessary. The picture is quite clear as to what has resulted to the economy of the textile industry and the entire Nation because of our giving away money and information to foreign countries to help develop their industrial and agricultural potentialities. What has happened in the case of the textile industry is bound to happen in other industries. It may be my State and the textile industry today—but, Mr. President, it will be your State and your industry tomorrow, unless we immediately halt this giveaway program.

Mr. President, the reason why I have offered this amendment is to call to the attention of the people of the United States the fact that we cannot afford to give a little, meager exemption to dependents, or to increase the exemptions of American taxpayers from \$600 to \$700, but we can give away billions of dollars with one stroke of a pen. I, for one, do not agree to such expenditures, and I shall vote against the bill when it comes to a vote tonight.

I am glad to see that Members of the United States Senate are beginning to shy off a little bit from foreign aid, and I hope that in the near future they will see fit to cut it off entirely.

Remember this, Mr. President, if we will check the matter we will find that more than half of our national debt has been caused by our foreign giveaway programs. We do not have the money; we are always getting in debt. Every time we give away money to other na-



tions, we go further and further into debt.

Mr. KNOWLAND. Mr. President, I am prepared to yield back the remainder of my time if the Senator from South Carolina will yield back the remainder of his time.

Mr. JOHNSTON of South Carolina. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on both sides having been yielded back, the question is on agreeing to the amendment of the Senator from South Carolina [Mr. JOHNSTON] to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. SMATHERS. Mr. President, I call up my amendment designated "6-26-56-B."

The PRESIDING OFFICER. Does the Senator from Florida ask that his amendment be read, or does he ask that it be printed without reading?

Mr. SMATHERS. I ask that the amendment be printed in the RECORD without being read and in the course of my remarks I will explain what it proposes to do.

The PRESIDING OFFICER. The amendment will be printed in the RECORD.

The amendment proposed by Mr. SMATHERS to the committee amendment is as follows:

On page 37, line 11, strike out "section" and insert in lieu thereof "sections."

On page 37, between lines 21 and 22, insert the following:

"SEC. 422. Economic Development Fund for Latin American Countries: (a) The Congress of the United States reaffirms the policy of the United States to further promote friendly relations and Western Hemispheric economic development through assisting the peoples of Latin America in their efforts to obtain economic and social well-being, to safeguard basic rights and liberties, and to protect their security and independence. The Congress hereby recognizes that fundamental to these goals is an expanding economic growth of the Latin American area based upon self-help and mutual cooperation and full utilization of already existing resources and knowledge. The Congress expresses the willingness of the people of the United States to support the foregoing objectives to the extent to which the countries in the area continue to make effective use of their own resources and external resources otherwise available to them.

"(b) In order to carry out the purposes of this section, there is hereby authorized to be established a fund, to be known as the 'Economic Development Fund for Latin American Countries' (hereinafter referred to as the 'fund') and there is hereby authorized to be appropriated to the President for the fiscal year 1957 an amount of \$35,000,000, such amount to remain available until expended.

"(c) The President is authorized to utilize the appropriations made available for the fund to accomplish in the Latin American area the policies and purposes declared in this act and to disburse on such terms and conditions, including transfer of funds, as he may specify to any person, corporation, or body of persons however designated, or to any Latin American government, agency, or organization or group of governments or agencies as may be appropriate: *Provided*, That such assistance shall emphasize loans rather than grants wherever possible, and not less than 75 per centum of the funds appropriated pursuant to this section shall

be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505, and not more than 25 per centum of said funds may be allocated for assistance to any one country.

"(d) In utilizing the fund, the President shall give preference to: (1) projects or programs that will clearly contribute to promoting health, education, and sanitation in the area as a whole or among a group or groups of countries of the area, and (2) such joint health, education, and sanitation assistance programs undertaken by members of the Organization of American States."

Mr. SMATHERS. Mr. President, first I want to congratulate the Committee on Foreign Relations upon what, obviously, is a very conscientious and, I think, thorough piece of work on the bill.

The amendment which I now propose has to do with Latin America. In this particular respect, I also want to congratulate the committee because it has recognized some of the problems of the Central and South American countries, even though what has been provided is not as much as I think those countries deserve, nor as much as should be done for them.

I point out that the total amount which is provided in the bill for Central and South America is still less than 3 percent of the total amount which is authorized by the bill.

If we go back to 1946, when the foreign-aid program first got underway, we will discover that the amount of help which has been given to the Central and South American countries has actually been less than 2 percent of the tremendous sum of money which has been authorized for our foreign-aid program.

Simply stated, the proposed amendment would create a special economic development fund for Latin America with an authorized appropriation to the President of \$35 million to remain available until expended. The amendment in emphasizing loans rather than grants provides that not less than 75 percent of the funds shall be available only for furnishing assistance on a loan basis. Since health, education and sanitation are primary factors in preventing the economic development of Latin America, the amendment contains a proviso that the President in utilizing the fund shall give preference to projects or programs that will clearly contribute to promoting health, education, and sanitation in this region, and such joint programs undertaken by the members of the Organization of American States. The authorized appropriation under the amendment would be in addition to the recommended authorization under the bill, as reported out by the Foreign Relations Committee.

There is nothing novel about the creation of this fund. We have in the past set up a similar fund for Asia in the amount of \$200 million, \$100 million of which was appropriated last year, and it is my understanding that the administration has requested that the balance be appropriated this year. Under the provisions of the bill as reported out by the Foreign Relations Committee, a special fund providing for an authorization of \$100 million is set up for the Middle East. It is high time that we

arouse ourselves from the slumber of the past and give to Latin America a little special treatment, too. In setting up this regional economic development fund for Latin America as proposed by the amendment it will give to this area the special treatment which it has so long deserved in our foreign aid program, and at the same time it demonstrates by deed that our good neighbor policy is more than just a play on words.

The special economic development fund in the amount of \$35 million proposed by the amendment will go a long way in further promoting and strengthening our good neighbor relations with this region, which is so important to us from the standpoint of trade, strategy, and raw materials. To assist Latin America in the solution of the economic difficulties which beset the area is in our own enlightened self-interest.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. SMATHERS. I shall be happy to yield.

Mr. SPARKMAN. Let me say that this matter was given very careful and sympathetic consideration by the committee. Of course, the Senator will recall that originally the amendment called for \$100 million, and then \$50 million. There was a very close vote on the amendment. Everybody recognized its merit.

One thing that should be called to the attention of the Senate with reference to the amendment is that 75 percent of the funds will be in loans, and not more than 25 percent in grants, and they relate to health, sanitation, and education. I think the committee as a whole was quite sympathetic to the proposal.

I am authorized by the chairman of the Foreign Relations Committee, and my understanding is that the minority leader agrees, to say that we are willing to accept the amendment and take it to conference.

Mr. SMATHERS. I thank the Senator from Alabama.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield to the Senator from Idaho.

Mr. WELKER. I certainly want to join with my colleague, the junior Senator from Florida [Mr. SMATHERS] in advocacy of the amendment. While on vacation in Latin America, I saw the needs of the people of that hemisphere. It is the opinion of the junior Senator from Idaho that they are deserving people. They need inspiration and aid. They are not like Tito, whom we bailed out yesterday. They love freedom, and they are seeking to make themselves stronger.

I commend the Senator from Florida, and shall support his amendment.

Mr. SMATHERS. I thank the Senator from Idaho.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point two articles which point up the fact that the Communists are making great attempts to get control of Latin America at this particular time.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:



[From the Tampa (Fla.) Daily Times of June 26, 1956]

**GUATEMALAN PRESIDENT DECLARES SIEGE STATE—ARMY TAKES CONTROL AFTER RIOT—4 KILLED, 17 HURT AS POLICE FIRE UPON STUDENT DEMONSTRATORS**

GUATEMALA, June 26.—President Carlos Castillo Armas put the army in control of Guatemala today after demonstrations in which four students were killed.

The President declared a state of siege—modified form of martial law. The army, assuming control, asked the cooperation of the people to avoid further clashes.

**AFTER CRACKDOWN**

The deaths came last night during student demonstrations on the capital's main street against a Government crackdown on Communist agitation. In addition there were 17 wounded.

The victims were in a parade of several hundred students marching toward the Government Palace to protest curtailment of civil liberties under the state of alarm imposed Sunday by President Carlos Castillo Armas' regime.

**ONE GIRL WOUNDED**

About half the marchers were girls.

One girl was wounded. So was a policeman.

The state of alarm put Guatemala under a form of martial law. The government said it was necessary to prevent "seditious disorders" plotted by Communists.

Soon after last night's shooting, the government ordered censorship of news dispatches sent abroad.

The students marched defiantly from a meeting at the university. Officials had sent them a warning message that they would be "swept from the streets" if they attempted to stage a protest.

The procession turned into Sixth Avenue, the principal business street of the capital, and headed to the President's offices at the end of the thoroughfare.

**FIRED INTO AIR**

A witness said a detachment of about 20 policemen, drawn up across the avenue outside a movie theater, ordered the marchers to halt.

"The police fired into the air," the witness reported. "The students kept coming, singing the national anthem."

"Police then started firing into the marchers, while police reinforcements rushed up. Some police were firing pistols, others sub-machineguns."

**GUATEMALA CLAIMS RED PLOT, GETS TOUGH**

GUATEMALA.—The Guatemalan Government, announcing discovery of a Communist plot, has imposed a form of martial law on the country to "prevent seditious disorders."

President Carlos Castillo Armas' regime decreed a "state of alarm" after police broke up a mass meeting yesterday sponsored by the newly formed national civic committee.

Demonstrators at the gathering of about 400 persons outside the capital's railway station had distributed leaflets demanding cancellation of Guatemala's mutual-aid pact with the United States and a lifting of the ban on Communist activities.

A Government statement charged the meeting was part of "a subversive plot by Communists hiding within the territory of the republic to disturb the peace."

Six persons were arrested and telephone service was interrupted for 4 hours. The state of alarm decree suspends a dozen or so constitutional rights and allows the Government to prohibit public meetings, make arrests without warrants and impose censorship.

There was no interference with news dispatches sent abroad, however.

Police cordoned off the downtown area after dispersing the demonstrators and no further incidents were reported.

The meeting was called as a celebration of the 12th anniversary of the downfall of Dictator Jorge Ublco who was driven from the country and died later in New Orleans.

Another anniversary meeting scheduled for today was ordered cancelled although its sponsors are considered friendly to Castillo Armas.

The Government claimed Communist plotters planned to spread panic and had instructed yesterday's demonstrators "to use their arms in order to blame the Government for the serious consequences of disorders."

Mr. SMATHERS. Mr. President, I yield back the remainder of my time.

Mr. KNOWLAND. I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from Florida [Mr. SMATHERS] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

If there be no further amendment to be offered, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. BRIDGES. Mr. President, I assumed other amendments would be offered.

I send to the desk my amendments, and ask to have them stated.

The PRESIDING OFFICER. Without objection, the action of the Senate in agreeing to the committee amendment, as amended, is rescinded, and the amendments offered by the Senator from New Hampshire will be received, and they will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed on page 30, line 2, to strike out "\$243,000,000" and insert "\$208,000,000."

On page 30, line 10, to strike out "\$80,000,000" and insert "\$45,000,000."

On page 30, before the period at the end of line 11, to insert a colon and the following:

*Provided, That not more than \$35,000,000 of such funds shall be used for assistance to India.*

On page 31, line 19, to strike out "\$140,500,000" and insert "\$135,500,000, of which not more than \$5,000,000 shall be used for assistance to India."

The PRESIDING OFFICER. The Chair should like to inquire whether the Senator from New Hampshire desires the amendments to be considered en bloc.

Mr. BRIDGES. I ask unanimous consent to have the amendments considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BRIDGES. Mr. President, we have heard a good deal about the foreign-aid program. As I have said to the Senate on various occasions, and I repeat it now, I am perfectly willing to help nations which are our friends and allies and are willing to help themselves; but

this pouring out of money to nations that are not true allies, and are not even really neutral nations is another thing. One of these nations is India.

I know a great hue and cry will be made by the do-gooders of this country about India. India poses as a neutral nation, but at least 90 percent of the actions of India have by calculated design been contrary to the best interests of the United States.

The Mutual Security Act for fiscal year 1957 would authorize an expenditure of \$80 million in aid to India. That is \$70 million for development assistance and \$10 million for technical cooperation.

What I probably should offer is an amendment to cut out aid to India altogether, but in view of the fact that such an amendment probably would not be adopted in view of the action on Yugoslavia, and since there may be some good in assisting India, I am willing to take a calculated gamble on part of the money that has been proposed. For that reason, my amendment would cut in two the amount of aid to India.

A few days ago I sat and listened to the American Ambassador to India, for whom I have warm affection and high personal esteem both as our Ambassador and a former member of this body; but I just could not swallow the argument he was making for aid to India. For that reason my amendment proposes a 50 percent cut in the amount requested.

The United States is now engaged in a bitter struggle to prevent Soviet Russia from conquering more territory and enslaving more peoples in Asia. In this struggle, the United States has allies, the NATO and SEATO countries. India prefers not to be one of those allies. Nehru has said, and these are his words:

"The only camp we should like to be in is the camp of peace and good will, which should include as many countries as possible and be opposed to none." In the face of current political realities, it is impossible to have your cake and eat it too—as Nehru would like to do.

Nehru would like to have us believe that India is strictly neutral. However, in the United Nations, India has consistently sided with the Communist bloc and against the United States.

This is no bona fide neutrality.

At the Bandung Conference, India was the leader of the pro-Soviet and pro-Communist China faction.

That was not strict neutrality.

And, let us not forget that when "neutral" Nerhu visited Mao Tze-tung—the Chinese Communist dictator who was responsible for the slaughter of over 50,000 American boys in Korea—he drew up a formula of five points for peaceful co-existence which was exactly what the Soviets were saying to all the world. He became a willing mouthpiece for Russian and Chinese Communist propaganda.

That was not strict neutrality.

And, let us not forget that when neutral Nehru visited Mao Tze-tung—the Chinese Communist dictator who was responsible for the slaughter of over 50,000 American boys in Korea—he drew up a formula of five points for peaceful coexistence which was exactly what the



Soviets were saying to all the world. He became a willing mouthpiece for Russian and Chinese Communist propaganda.

That was not strict neutrality.

It is my considered opinion that now is the time—now when this foreign-aid measure is under discussion—for this body to ponder the question asked by our distinguished colleague, Minority Leader KNOWLAND, on January 17—and I quote his words:

Can our economic system survive prolonged burdens of building a system of collective security and a system of neutralism at one and the same time? If the neutralists are to receive the benefits and have none of the responsibilities of those in the collective defense system, will not this act as an incentive plan to build up the fence sitters?

I say it will.

And, Nehru's India is the prime example of our futile and dangerous policy of being equally, or even more generous to so-called neutrals than to proven allies.

Mr. President, I am disturbed that I as a United States Senator have to stand up on the floor of the Senate and argue the folly of our aid policy as it concerns India, but folly it is in my opinion.

No one will deny that in these dangerous times, there is need for us not to stint in the use of funds for our national security. But, it should not be necessary to have to plead with this body to decide, intelligently, to offer our aid and support only to those proven allies who are willing to share with us the calculated risks involved in the worldwide struggle against the deadly Communist menace. Who, in view of the facts, can—in good conscience—argue that we continue unconditionally to aid Nehru when he has definitely set himself up as an active neutral against the best interests of the United States?

The facts are clear, Mr. President, we gambled on Yugoslavia and lost. We are gambling on NATO and SEATO and most of it appears to be a pretty good gamble but we would be less than honest with ourselves if we did not admit there were some weak spots. We are gambling on India and frankly it is a gamble that I do not feel like backing with too many American taxpayer dollars. The wisdom of certain biblical axioms keeps asserting itself to me. It is in effect—that those who are not for us are against us. Certainly the so-called neutralism of Nehru is a one-way street and it does not run in our direction.

I want to emphasize the fact that I am not writing off India as I have written off Yugoslavia, even though I think she is a dubious gamble. That is why my amendment calls for a cut in aid—not complete elimination of aid to India.

I might add that not all of my reluctance to go along with the full program is due entirely to the position Nehru takes, although let us not forget that when the neutral Nehru visited the Communist Chinese dictator, who was responsible for the slaughter of tens of thousands of American boys in Korea, he drew up a formula of five points for peaceful coexistence, which was exactly

what the Soviet Union was saying to all the world. And by doing this he became a willing mouthpiece for the Communist and Chinese propaganda.

My reluctance to go along with the full program is also due to what I consider the lack of an imaginative program designed specifically to meet the Indian situation. The fact that we do not have a better oriented program is a matter of some amazement to me in view of the fact that Nehru and other Indian leaders have long since pointed out the sources of friction. We must remember that India has but recently emerged from what has been called a colonialism. Her national pride is intense and she resents being considered a weak sister or a poor relation in the company of nations. Nehru likes to pretend that India can accomplish her goals within her own resources and that is why he belittles our aid in speeches while he holds out his palm for as much as we will drop in it. The concept of our program if it is to be successful as far as India is concerned should be in such form as treats India as an adult in the family of nations if we are to have any success whatsoever. Economic aid should be in the form of loans and there should be only such technical assistance as can be assimilated and integrated into the Indian economy in her own struggles to help herself.

Our present giveaway program should be tapered off to the vanishing point because we never could give the vast subcontinent of India enough giveaway for her economic salvation without her making a mighty effort of her own and indeed our efforts to do so would not only impoverish us but create poor relations in the bargain. In tapering off giveaway to the vanishing point there is no better time to begin than the present. Let us do so by adopting my amendment which cuts it by 50 percent. And then let us proceed from there cautiously and hardheadedly in the development of a new program better tailored to the factual situation which we all know exists.

Mr. WELKER. Mr. President, I call for order in the Chamber.

Mr. BRIDGES. Mr. President, I should like to have order in the Chamber.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The Senate will be in order.

Mr. BRIDGES. Mr. President, on the question of agreeing to my amendment to the committee amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WELKER. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. WELKER. Mr. President, again let me pay my respects to the distinguished statesman from New Hampshire [Mr. BRIDGES], who has the courage to state his convictions when seemingly 90 percent of the Members of the Senate do not see the light.

This afternoon before the Internal Security Subcommittee there appeared a man who has opposed the Polish Communist conspiracy. He told our subcommittee, and, through our subcommittee, the world, what the Polish people

have done and are doing to obtain their freedom. They have even attacked tanks, operated by their oppressors, with their bare hands as they raised aloft bloody flags.

Mr. President, how did you feel, and how did the distinguished Senator from New Hampshire feel, and how did I feel, last night, when a majority of the Senate voted to give aid to Yugoslavia and Tito, whom every Member of the Senate knows is a Communist. In heaven's name, what would be the position of the Senators who voted in favor of giving aid to Yugoslavia, if in the future, the freedom-loving people of Yugoslavia—about whom we heard so many words spoken during the debate in the Senate, last evening—should rise up and say, "We want freedom." In that event, we would know that, as a result of the vote cast last night in the Senate, those people would be shot down with munitions of war obtained by means of the money the Senate voted to give to Tito, to be used, at least in part, for the purchase of shells by Tito. It was said that the United States had previously given guns to Tito, and therefore the United States now must make it possible for Tito to purchase shells—using our money for that purpose—to be fired by the guns with which we already have provided him.

I predict that if the people of Yugoslavia should decide they want freedom, and should revolt—as the people of Poland have done—Senators who voted in favor of United States aid to Tito may find blood dripping from their hands.

Mr. President, I have the most profound respect and admiration for the great statesman who has just spoken—the senior Senator from New Hampshire [Mr. BRIDGES], who is the senior Republican Member of the Committee on Foreign Relations. In fact, Mr. President, I believe that many of the people of the United States are crying for us to follow the advice of the great senior Senator from New Hampshire. I plead with the Senate to pay heed to his words of advice. I commend to every person in the United States what he has said, and I hope that his counsel, as it will appear in the CONGRESSIONAL RECORD, will be read very widely throughout the country.

Mr. BRIDGES. I thank the Senator from Idaho.

Mr. President, at present the United States is going through a period similar to the one through which it went in the 1930's, when Mr. Chamberlain's umbrella and the slogan "peace in our time" were the symbols of the day.

Not many of the present Members of the Senate were Members of the Senate at that time. Too many of those Members of Congress hopefully crawled under the umbrella. Many of those Members found that umbrella little protection from the deluge of votes against them which followed and the freedom-loving people of the world found that same umbrella little protection when the shots of battle began to fly.

I feel that I stand at the same crossroads of decision as I did when some of us in this body took a very strong stand in favor of a two-ocean Navy and a large



Air Force. We opposed the sale of aviation gasoline and scrap iron to Japan. We were defeated on those issues and although history is said to repeat itself, I hope it does not do so today.

Mr. President, I do not ask for a complete end to foreign aid. I shall support any reasonable foreign-aid program. But I ask that we be selective in the foreign aid we give, and that we help only the countries who will help themselves and who will be true allies of the United States. Let us not throw American money and substance to the wolves of international intrigue.

Mr. President, if there are no questions to be asked of me regarding my amendment to the committee amendment, I yield back the remainder of my time.

Mr. GEORGE. Mr. President—

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Georgia such time as he may desire, of the time under my control.

Mr. GEORGE. I shall use only 2 minutes at most.

Mr. President, the India program includes \$30 million in surplus agricultural commodities. They will be furnished from our own surplus now on hand. Of the remainder or the balance, 75 percent will be in loans. In other words, \$30 million will be used to pay for certain agricultural commodities which we now have in long supply; and of the balance of the aid which India will receive under this program, 75 percent will be in loans.

On the basis of philosophy, on the basis of metaphysical convictions, and on the basis of religion, India is probably actually neutral. She does not want to join in an alliance. I myself do not care, and I do not believe we should be greatly concerned when a country is really neutral and intends to remain neutral and to protect her own neutrality. I do not think we should be very greatly concerned about that country.

I hope very much that this amendment will not be agreed to, because when it is analyzed, it will be seen that we would be hurting ourselves, largely, because we ought to get rid of the surplus. The surplus agricultural commodities are needed in India. As for the entire balance, 75 percent of it is in actual loans. I do not think that program will hurt this country. I believe it would be very much better for us frankly to say, "If you are a bona fide neutral country, and propose to protect your neutrality, we will not say that all aid will be withdrawn."

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. President, I feel that I must speak on this subject. I have spent some time at the United Nations, where I knew the Indian representatives. Especially I knew Madam Pandit, who was India's Ambassador to the United States for several years, as we all know.

I have been troubled by the subject of neutralism, to which the distinguished Senator from New Hampshire refers, but I have tried to understand the neutralism of India.

In going through some of the records of the country I find that over a period of hundreds of years—perhaps thousands of years—the Indians have been a nonwarring country. So far as I know, until India got into the recent trouble with Pakistan, it had never become involved in military actions. The tradition and religion of India are against warfare. Mahatma Gandhi laid down the tradition of nonresistance, and he urged neutrality for India, insofar as other countries of the world are concerned.

I am not defending Mr. Nehru, especially, because I think he has made a great many mistakes. He has been very much misunderstood. Perhaps some of the prejudice against him is justified. From many talks with Mr. Nehru I became convinced that he was trying to be neutral. He had the Chinese Communists on one border and the Russians on the other border, and he was in a very difficult position. One thing that was very clear to me was that he was anti-Communist within India. The inconsistency of his position with regard to Kashmir and Pakistan is partially true.

I recall the time, a few years ago, when we tried to give grain to India. I introduced the legislation. I was requested by the Indian Embassy not to make it a grant, but to make it a loan. We made it a loan, and the Indians still are paying on that loan. The other agricultural products sent to India have been primarily on a loan basis. There may have been some grants, but the transactions were primarily loans.

I have difficulty in seeing why we should be prejudiced against India at this time because of the question of neutrality. I feel that a nation which wants to be neutral, in the sense that it does not want to join any military alliance with other countries, should be entitled to take that position. We have such a relationship with Burma and with Indonesia today. I think we would be making a mistake if we were to say, "Unless you join our military alliance we cannot give you any further aid."

The 380 million people in India are trying to find a better way of life. God knows, they are starving most of the time. In my opinion, it would be very shortsighted and wrong in principle not to let those people feel that we have a human interest in them and are interested in trying to help them to be self-sustaining. They have been under the Government of Great Britain for many years. Imperialism was the condition under which they lived. Finally they obtained their freedom. India is a new, free country. She is groping her way.

With a thorough understanding of the feelings of my friend from New Hampshire, I hope he will not press this amendment, because I feel that we would be making a mistake at this time if we were to deny or cut aid for the reason given, namely, that India will not take sides with us in the cold war.

Mr. BRIDGES. Mr. President, I yield 2 minutes to myself.

I point out the fact that I am not advocating the denial of aid to India. I am merely raising a cautionary flag, and proposing to cut the appropriation for

India in half. She would still be allowed \$40 million. Forty million dollars is a great deal of money to give to a country which is nominally neutral, but which is on the other side of the fence better than 90 percent of the time.

I have heard the distinguished chairman of the Foreign Relations Committee [Mr. GEORGE] say that India is truly neutral. There is some argument to be made in favor of a country which is truly neutral, as the Senator has said. I could continue for hours, pointing out one position after another which India has taken, contrary to the best interests and the leadership of the United States and contrary to any recognized concept of neutrality.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield back the remainder of his time?

Mr. BRIDGES. I am prepared to do so if the other side will do likewise.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, I wish to support the position of the chairman of our committee. I think it would be a great mistake if this amendment were adopted.

India represents the largest group of free citizens in the world, the largest free nation on earth. If we were to adopt this amendment, I think we would be creating a condition which would justify a loss of confidence on the part of India in our cooperation in the future.

In my opinion, India is neutral in the true sense of the word. I believe she intends to remain neutral. I think that is a relationship which has been beneficial to this country.

It seems to me that what was said in the debate with respect to Yugoslavia would apply to India—not that India is the same kind of country as Yugoslavia from the standpoint of democratic government, but I think the most we can hope for in the future will be that India will remain neutral, and free from domination by Russia or any other Communist country. If she makes a success of her effort to create a strong democratic society, it will be the greatest achievement she could contribute to the defense of the West.

Everyone knows that there is competition between China and India to see which one will be able to create the best life for its citizens, one following the totalitarian system and the other following the democratic system. If India can succeed, without sacrificing the liberty of the individual, in creating a reasonable standard of life under a democratic system, it will be one of the greatest contributions to the stability and security of the West. It will be one of the greatest proofs of the basic validity of the democratic process that could be furnished.

I hope the pending amendment will not be agreed to. Although it involves money in addition, it is, in a sense, a criticism, and a further evidence of our lack of respect or regard for that country.

I deeply regret the necessity for canceling the visit of Mr. Nehru. On top of that, to agree to this amendment would



be very unwise strategy, in my judgment.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of the time on our side, with the understanding that the Senator from New Hampshire will yield back his time.

Mr. BRIDGES. I agree to that.

The PRESIDING OFFICER. All time on the amendment of the Senator from New Hampshire is exhausted or yielded back.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The question is on agreeing to the amendment of the Senator from New Hampshire to the committee amendment. On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE (when his name was called). On this vote I have a pair with the Senator from Georgia [Mr. RUSSELL]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. BENDER (after having voted in the negative). I have voted "nay." On this vote I have a pair with the junior Senator from Indiana [Mr. JENNER]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withdraw my vote.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. DANIEL], the Senator from Rhode Island [Mr. GREEN], the Senator from Kentucky [Mr. HUMPHREYS], the Senator from West Virginia [Mr. LAIRD], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Texas [Mr. DANIEL] is paired with the Senator from Kentucky [Mr. HUMPHREYS]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Kentucky would vote "nay."

On this vote the Senator from Virginia [Mr. BYRD] is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting the Senator from Virginia would vote "yea" and the Senator from Rhode Island would vote "nay."

The Senator from Washington [Mr. MAGNUSON] is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting the Senator from Washington would vote "yea" and the

Senator from West Virginia would vote "nay."

I further announce that the Senator from West Virginia [Mr. LAIRD] if present and voting would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent, and his pair with the Senator from Ohio [Mr. BENDER] has been announced previously.

The Senators from Kansas [Mr. CARLSON and Mr. SCHOEPP], the Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. MARTIN], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

I wish to announce the following pairs:

The Senator from Kansas [Mr. CARLSON] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Kansas would vote "nay" and the Senator from Arizona would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Kansas [Mr. SCHOEPP]. If present and voting, the Senator from Wisconsin would vote "nay" and the Senator from Kansas would vote "yea."

I also announce that if present and voting, the Senator from Iowa [Mr. MARTIN] would vote "yea."

The result was announced—yeas 23, nays 56, as follows:

#### YEAS—23

Barrett	Eastland	McCarthy
Bible	Ervin	McClellan
Bricker	Frear	Mundt
Bridges	Hickenlooper	Welker
Case, S. Dak.	Hruska	Williams
Chavez	Johnston, S. C.	Wofford
Cotton	Langer	Young
Curtis	Malone	

#### NAYS—56

Aiken	Hennings	Monroney
Allott	Hill	Murray
Anderson	Holland	Neuberger
Beall	Humphrey,	O'Mahoney
Bennett	Minn.	Pastore
Bush	Ives	Payne
Butler	Jackson	Potter
Case, N. J.	Johnson, Tex.	Purtell
Clements	Kefauver	Robertson
Dirksen	Kennedy	Saltonstall
Douglas	Kerr	Scott
Duff	Knowland	Smathers
Dworshak	Kuchel	Smith, Maine
Ellender	Lehman	Smith, N. J.
Flanders	Long	Sparkman
Fulbright	Mansfield	Stennis
George	Martin, Pa.	Symington
Gore	McNamara	Thye
Hayden	Millikin	Watkins

#### NOT VOTING—17

Bender	* Green	Martin, Iowa
Byrd	Humphreys,	Morse
Capehart	Ky.	Neely
Carlson	Jenner	Russell
Daniel	Laird	Schoeppel
Goldwater	Magnuson	Wiley

So Mr. BRIDGES' amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the distinguished senior Senator from New Hampshire [Mr. BRIDGES].

Mr. BRIDGES. Mr. President, there have been some very spectacular votes on the amendments involving the questions whether we wish to give aid to nations which are on the verge of the Russian orbit or to nations which are neutral 90 percent of the time and favorable to the Russians. The Senate by an overwhelming vote has gone on record for the last, and by a small vote for the first. I think our action will come back to haunt us.

A very mysterious report has come in that there is nothing listed under military assistance—for which there is some excuse—to any nation, but there are some nations which have stood by us. Some nations, when we were fighting in Korea, sent troops. Other nations in whose territory we are building bases are cooperating, and I am confident they will stand by us.

I should like to ask some questions of the responsible Senators in charge of this authorization bill. The House of Representatives adopted an amendment allowing \$48 million for military assistance to Spain. I should like to know whether Spain is being scuttled in this bill or whether Spain will receive a reasonable amount. I do not want the exact figure, if it is a secret, but I should like to get an approximate figure which will show whether or not we mean what we say.

Mr. MANSFIELD. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. MANSFIELD. I will say to the Senator from New Hampshire that Spain received very sympathetic consideration in the discussions held in the committee. Relative to that particular country, there certainly was no sign of animosity. There was a question, however, as to whether one particular country should be picked out and the possibility raised that other countries would have to be considered in like fashion. I can assure the Senator from New Hampshire that as to the figure agreed to by the administration and incorporated in the bill, on the one hand, and the figure of \$48 million in the House bill, there is very little difference between the two. It is understood, on the basis of the recommendations made by the administration and on the basis of discussions in the committee, that a certain sum, a very little bit smaller than the sum provided by the House, will be allocated to Spain, and that sum will be on the "not-less-than" basis.

I wish to assure the Senator that there was complete sympathy for the situation of Spain, and especially so in view of the fact that there may be some difficulties with the bases in Morocco because of the changed situation in that country in connection with the new Sultanate of Morocco.

Mr. BRIDGES. I thank the Senator from Montana.

I think the Senator from New Mexico [Mr. CHAVEZ] wishes to ask a ques-



tion, and I wish to ask concerning 2 or 3 other nations, if I may.

Mr. CHAVEZ. Mr. President, I am sympathetic to the suggestion made by the Senator from Montana, but I know that having sympathy for Spain does not answer the question. I should prefer to have assurance, at least, without naming the amount, if that can be done at this moment, that Spain will be taken care of. We sermonize to the world about how we are against the Communists. The only nation that ever chased Communists out of its territory was Spain.

Mr. MANSFIELD. Mr. President, if the Senator from New Mexico will take my word for it—and I think I can speak for the committee—I give him every assurance that Spain is taken care of, and that the Senator's suspicions, if any, are not founded on fact.

Mr. CHAVEZ. I will take the word of the Senator, of course.

Mr. BRIDGES. Mr. President, I should like to address a question with reference to Turkey, which has been a great ally of ours. How is Turkey to be treated in this bill?

Mr. MANSFIELD. In reply to the Senator from New Hampshire, I will give the same answer. The figure was not publicized because of the possibility that if that were done other countries might be publicized as well. The administration has taken good care of Turkey, and I can assure the Senator that the Turks will receive special consideration in the discussions held in the committee on this particular measure.

Mr. BRIDGES. Now, with reference to Formosa?

Mr. MANSFIELD. The same answer would apply.

Mr. BRIDGES. South Korea?

Mr. MANSFIELD. The same answer would apply.

Mr. BRIDGES. Guatemala?

Mr. MANSFIELD. There I think the answer is that we did not go as far as did the House. The House allowed \$10 million above the administration's estimate. The Senate allowed \$5 million for Guatemala and an additional \$5 million for all of Latin America, a part of which could be allocated to Guatemala.

I point out that the distinguished Senator from Florida [Mr. SMATHERS] had an amendment accepted providing \$35 million for use in all the countries of Latin-America. So I would say that, in general, Guatemala will come out, as the result of this bill, with about the same as was provided by in the House.

Mr. BRIDGES. What about Greece?

Mr. MANSFIELD. Greece, the same as Turkey, Formosa, South Korea, and Spain.

Mr. BRIDGES. What the distinguished Senator from Montana has stated in answer to my questions about some of the countries which have been our true allies gives me encouragement and some satisfaction. I know he speaks with sincerity. I hope he speaks the minds of the rest of the committee, or a majority of the committee, as he must, because of the figures agreed to here. That gives us some satisfaction, when we have been wandering around in the

dark on some of the other situations on which we voted.

Mr. MANSFIELD. I assure the Senator from New Hampshire that I speak for the committee in my answers.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Idaho.

Mr. WELKER. Mr. President, at the close of this debate, I cannot remain mute and not say the words which come from my heart.

I, in part, represent the sovereign State of Idaho in the United States Senate. I want to be able to go home, look my constituents in the eye, and say that I have done my best to represent them properly in connection with the debate which has taken place and the votes which have been recorded during the past 2 days.

I should like to ask how we can say that the United States Senate has been fair to the American people. I know about the high level of secrecy in the Committee on Foreign Relations. Perhaps I shall never know about it more intimately. I happen, however, to occupy a very strategic position on the Committee on Armed Services, which does not have quite so much secrecy, but is a committee whose members receive abuse and ridicule when they seek to give to the Air Force of the United States approximately \$900 million more than was recommended, so as to make the Air Force strong.

Regardless of my political future, I shall not sit here silent when I see my colleagues deliberately vote to give the taxpayers' money to Tito the Communist, who a blind man and a fool would know has quit us.

Nor shall I sit here and remain mute while my colleagues vote to give aid to Mr. Nehru, whose record is painted as lily white, though every person who can read knows where he stands.

Why has not something been said about Mr. Nasser and about the disaster plan of foreign aid, which has been in existence for longer than the junior Senator from Idaho has been in the Senate?

I have seen the smirking and smiling when some of the votes have been taken. With my own eyes I have seen the dedicated internationalists vote to give away in foreign aid the money of the taxpayers of the United States which is so urgently needed at home. I have seen them smile when by their votes they defeated the amendment of the great Senator from New Hampshire [Mr. BRIDGES], who asked that aid to Nehru be reduced.

I do not like what has happened. If any of my colleagues want to speak on the subject in Idaho, I shall be glad to discuss it with them. But how, when I go home, am I to meet and answer my own constituents, including the small-business men? There is not a Senator in the Chamber who is not in the same situation. How am I going to answer the small-business man who must fill out an application for a loan, so that he can continue in his small business, so that he can exist and can support his family and educate his children?

Where is the small business loan application bill today? It is pigeonholed and forgotten.

Mr. President, I hope my colleagues are right; I hope I am wrong. They have not hesitated to give aid to Tito and Nehru, when people in Idaho and Oklahoma and other States are begging for a little financial aid.

There is a little agency called the Farmers' Home Administration, which represents the farming community. Every Senator has had the same problem as has been presented to the junior Senator from Idaho. The veterans of the Korean war, who gave their best in the fight for freedom, came home and finally received land from the Farmers' Home Administration, but a little later they were faced with foreclosure by the Government of the United States.

Mr. President, I wonder when all this will end.

We are said to be brilliant by reason of the secrecy which prevails in this body. Perhaps we are. Perhaps I am ignorant. But I am going to let the chips fall where they may. I am going to let fortune turn the wheel. Then we shall see who is right and who is wrong.

I wonder why it is that I have listened in the past 5 years to great statesmen, some on the Committee on Foreign Relations, who as recently as 1953 said that that year would be the end of mutual security and foreign aid. After 7 years, if the foreign countries have not become strong, they will never become strong. I say it is about time for Congress to do a little thinking for America.

Like the distinguished senior Senator from New Hampshire [Mr. BRIDGES], I will vote for anyone who is our ally, but I will not vote for a Communist who is out to cut our throats and destroy our liberty.

Nor will I vote aid for Mr. Nehru, who is a neutral sitting it out, when he ought to take a stand one way or the other.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. WELKER. May I have 2 minutes more?

Mr. KNOWLAND. Mr. President, I yield 2 additional minutes to the Senator from Idaho.

Mr. WELKER. Mr. President, I was in the Senate in the days of the great Ken Wherry, when he was the minority leader, and when the Senate considered and debated the question of furnishing of wheat to India. I was here at the time when we were begging for monosite sand. India at that time had the largest known deposits of monosite sand in the world. Did any Senator ever see any monosite sand from India in repayment for the wheat which the American taxpayers, those whom we represent, gave to India? Oh, no, they did not. We have no time, I guess, to think of America. We have no time to think of the Farm Home Administration.

What has happened to the Aiken-Welker bill and other bills to liberalize the Farmers' Home Administration?

When the farmers of the United States read the mutual security bill, they are



going to wonder what kind of representation they have in Congress.

Senators can smirk and smile all they wish, but so long as I represent, in part, the sovereign State of Idaho I will never be hoodwinked about anything so potentially dangerous as the action we are soon to take.

When, O when, are we going to realize that we are a bankrupt nation; that we have spent ourselves into bankruptcy? We are paying more than \$8 billion a year in interest alone for this drunken spending spree, the end of which I do not think I will ever see. But so long as I am here and so long as the American people are forgotten, count me as voting "nay" on bills of this character.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. JOHNSON of Texas. Mr. President, I have only a brief comment to make on the bill before final action is taken. All of us have given serious and deep thought to how we should vote on this all-important measure. Today, yesterday, and the day before I have heard on the floor as penetrating and careful debate on foreign aid as I have ever heard in this body. This holds true both of those supporting the bill as reported by the committee, and those offering amendments to the bill.

I believe it is fair to characterize the discussion as having been one of great worry on both sides. There have been expressions of doubt, of hesitation, and of misgiving by almost every speaker.

In these doubts and in these misgivings I share.

The distinguished chairman of the Committee on Foreign Relations [Mr. GEORGE], that world statesman who has an unerring instinct for the jugular, stated our problem and summed up the entire discussion yesterday when he said:

In the past few years there has been a breakdown in the understanding of the so-called foreign-aid program. Since those days when the American people willingly gave of their goods and services, to help Europe rebuild after the war, through the Marshall plan, the Turkish-aid program, and the Greece-aid program, there has been a deterioration of their understanding of the need for continuation of the mutual-assistance program. There is a deep skepticism among many of our people.

I frankly share that skepticism, Mr. President. From the very beginning when the President, in the spring of this year, asked for a new authorization of nearly \$5 billion, I have felt that the administration was not taking into account how much public opinion, not only here at home but also abroad, was being affected by the changing situation in the world.

I believe that the administration has paid little attention to the obvious fact that foreign aid was in fact being reappraised throughout the entire world.

The Congress is aware that the whole subject of foreign aid must be reconsidered. We know that in fact the administration has talked for some time about reconsidering it. We are aware that in the light of the new world situation, becoming more obvious every day, there must be a new foreign-aid policy.

There would have been a far happier tone to our debate this week if the administration had some months ago come to the Congress in frankness and in candor and had told us that foreign aid is going to be revised and that in truth such revision was already underway. If it had told us that, and had also stated that existing programs should not be disturbed, since it is impossible to withdraw abruptly from our worldwide commitments, I believe there would have been more trust and more confidence expressed in this body this week.

Mr. President, I am strongly convinced that as responsible men we should not and we must not strip the gears or wreck the machinery of existing foreign-aid programs because we have little faith that serious thought is being given to the future of this program.

Our skepticism, as it has been expressed here in the past 2 days, is in accord with opinion here at home and opinion throughout the world. I think our attitude can be fairly described as caused by a failure in administration leadership, a failure, as columnist Walter Lippmann has phrased it, "to argue the case for foreign aid in terms which are relevant and convincing."

I ask unanimous consent, Mr. President, that Mr. Lippmann's column from the Washington Post of May 31, 1956, be placed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. JOHNSON of Texas. Yet we are faced now with the necessity of acting. We have no intentions of reducing the military security of the United States and of our allies. Then what should we do?

In view of our dissatisfaction, it appears to me, Mr. President, that we should do two things:

First, we should support the proposal of the Foreign Relations Committee, so ably led by that distinguished and wise statesman, the senior Senator from Georgia.

Second, we should approve a critical reexamination of foreign aid and foreign policy by the Foreign Relations Committee—which we, in effect, have done today by rejection of a counter proposal.

There is no blinking the fact, Mr. President, that the American people are not convinced that today's program serves America's national interest. The American people are doubtful that that interest is any longer served by continued economic assistance to many nations and peoples far from our shores. The administration has done little to allay these genuine doubts. Therefore, it is imperative that we seek to do so.

It would be my hope that a comprehensive, careful, and thorough reappraisal of our entire foreign-aid program will be made during the next year by the Foreign Relations Committee, aided and abetted by distinguished experts in the field of foreign policy, and called in as consultants to the committee. This appraisal would be in our hands, so that next year we may take intelligent action for the long term down the long road.

But it is vitally important, Mr. President, that we not destroy faith in the foreign-aid program in the intervening months. So I shall cast my vote in support of the committee. I shall do so reluctantly, but I shall do so in the knowledge that this is no moment in history to destroy the faith of the world in our leadership.

Therefore, I personally prefer to regard the present bill as in the nature of an interim authorization. I shall regard the appropriation bill to support this authorization as an interim appropriation.

Our national interest will not at this time best be served by completely ignoring the recommendations of our President, of the Joint Chiefs, and the other officials of the executive branch concerned with our foreign policy. I do not think that we can also afford to ignore the considered, mature, and the expert judgment of the majority in the Senate Foreign Relations Committee.

And we cannot afford to ignore, Mr. President, the cry that would go up throughout the world that once again the United States has furled its flag of world leadership, and unfurled once more that tattered and bedraggled banner of isolationism which has served us and the peoples of this earth so badly in the past. We cannot indulge ourselves in the luxury of this danger, as once we could have with impunity. Our action today, if it is unfavorable to foreign aid, will be cleverly twisted and turned by our enemies in every world capital.

Just today the Senate adopted a conference report and insisted on increasing the strength of our Air Force.

In my judgment, this was a wise and statesmanlike precaution. I suggest that we cannot afford the contrast between that action and in the same week contribute to the destruction of our foreign aid program, however much we may have misgivings and doubts about that program.

Already the cry is echoing around the earth that once again America is "going it alone". This, we all know, is untrue, but it is not enough that we happen to know it is untrue. It is imperative, I think, that we reassure our allies and the neutral nations that once and forever this Nation has accepted its role of world leadership.

I shall, therefore, cast my vote in favor for the bill as reported by the committee.

EXHIBIT 1

TODAY AND TOMORROW

(By Walter Lippmann)

WOODEN LEADERSHIP

It is not in the least surprising that Congress is showing so much opposition to this year's request for foreign aid. Ever since the middle of March, when the President asked



for a new authorization of nearly five billions, it has been plain enough that he and his advisers were not taking into account how much world public opinion, including American, was being affected by the changing world situation.

The administration has put forward its request for another and a bigger authorization, using the same old slogans that have been doing duty year after year. It has taken no serious notice of the fact that foreign aid, both military and civilian, is undergoing a revolutionary reappraisal throughout the world. It has treated this great development as not strictly relevant to the business before Congress.

Congress has reacted to this lack of plainness and candor. It knows that the whole subject of foreign aid has to be reconsidered. It knows that the administration is in fact beginning to reconsider it. It knows that the administration has not yet reached many definite conclusions as to how, in the light of the new world situation, to form a sound foreign aid policy.

Then Congress finds that the new money it is being asked to vote is to be used to finance the flow of military assistance, not this year and not next year, but in 1958 and in 1959. Knowing that the strategical planning of NATO and of our other alliances may be seriously revised in the next 2 years, Congress is in no mood to authorize large funds to be used 2 or 3 years hence. "The Congress," said the chairman of the House Committee on Foreign Affairs, Mr. RICHARDS, "may well regard the pending mutual security bill as only an interim measure." As there are nearly 2 years' funds already in the pipeline, the committee felt that after cutting the authorization by over a billion dollars, "the sums recommended in this bill are ample until we know more about the direction in which the program will move."

The administration would have done well to listen to those who advised it to go to Congress saying that foreign aid was going to be revised, that while the revision was going on the existing programs should not be disturbed, and that as and when new programs were worked out, Congress would be told all about them. On that kind of submission, the President would in fact have been asking Congress not to approve a program that is out of date, but to trust him while a new program is being worked out. He might well have gotten such a vote of confidence.

In reacting as it has reacted the House Foreign Affairs Committee is moving with, not counter to, the tides of opinion in Western Europe. When it voted to reduce military aid by a billion dollars it did not in the least believe that it was voting to reduce the military security of the United States and of its allies. It was in the same mood as are the Germans, who do not want to conscript the promised German divisions, as the French who have now moved virtually all their infantry to north Africa, as the British, who are beginning to think about abolishing conscription.

It is the mood of people who do not want to waste their time and their money preparing not for the next war but for the last war.

The attitude of Congress is the American expression of the same mood which we are thinking about abroad when we talk of the decline of interest in NATO. I do not believe that the deep cause of this loss of interest is due to the new look of Soviet policy. The deep cause is that the higher leadership of NATO, as it reflects itself in the requests to the governments, has not kept abreast of the revolution in the military art. The loss of interest is due to a loss of belief in the realism of NATO's strategical conceptions.

If we are wise, we shall not regard the action of the committee as merely a relapse into isolationism and know-nothingism.

Insofar as there has been such a relapse, it is due to a failure in leadership—a failure to argue the case for foreign aid in terms which are relevant and convincing.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Virginia.

Mr. ROBERTSON. I wish to associate myself with the views expressed by the majority leader. Like him, I shall vote for the bill with reluctance. I am going to go one step further than the majority leader did. I am glad I shall be a member of the committee where the next action will be taken. As a member of that committee, I intend to vote for lesser amounts.

Mr. KNOWLAND. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 5 minutes.

Mr. KNOWLAND. We have come to the end of the road with a very important piece of legislation. On it there have, of course, been differences of opinion on both sides of the aisle. The administration, of course, has not abdicated, nor does it intend to abdicate, the world leadership responsibilities which this Nation has. Had we cast aside at any time the responsibilities of leadership in the world, there is but one power that could have picked up the torch; and it would have engulfed the world. I refer, of course, to the Soviet Union and the international system of communism it represents.

Mr. President, the present administration came into power only 3 years ago. It found the world in a state of war. After winning World War II, in 1945, when we were associated with our allies, and when men of good will everywhere had hoped that we and our allies might live in peace with honor in a free world of free men, there rose in the world a power—the Soviet Union—which was determined to destroy human freedom.

As a result of wartime agreements at Yalta, Teheran, and Potsdam, 500 million people who once had been free passed behind the Communist Iron Curtain. When President Eisenhower's administration came into power, we found ourselves involved in a stalemated war in Korea, which had been going on for a period of time. The United States alone carried a heavy share of the burden of that war. Approximately 90 percent of the manpower supplied by the United Nations in that war was supplied by the United States. More than 90 percent of the resources supplied by the United Nations in that war was provided by the United States. The little Republic of Korea had contributed approximately 600,000 men; the United States had contributed at a single time more than 500,000 men, and we had rotated more than a million men through Korea. All the powers associated with us in the United Nations had contributed only 45,000 men. Because of certain restrictions placed upon us, the war had become a stalemate. The present administration brought peace with honor in that area. However, in the final analysis there is not a peace in the full sense of the word, because we still have only an armistice.

The Chinese Communists have not consented to the unification of Korea.

In the period of time since this administration has come into power, only approximately 20 million people in North Vietnam have passed beyond the Iron Curtain, as compared with the more than 500 million people who passed behind the Iron Curtain in the 5 years prior to that time. The Indochina war was raging when this administration came into power.

Mr. President, these problems are not partisan ones. When the war broke out in Korea, Members of the Senate on both sides of the aisle supported the then President of the United States. There are also in the Senate at this time Members who supported the Greek-Turkish aid program under the prior administration, and Members who supported the Marshall plan, doing so because they believed it was important to rehabilitate the war-torn world.

Mr. President, I think the American people can be highly pleased and gratified that at the helm of this country today there sits a great American, Dwight Eisenhower, who is devoted to the cause of peace with honor, who is interested in preserving peace for this generation and for future generations of Americans, and who has given leadership to the world in this troubled period. I hope we shall never let narrow partisanship mar our foreign policy in the future.

Mr. President, I wish to pay tribute, tonight—I would not want this opportunity to pass without doing so—to the distinguished senior Senator from Georgia [Mr. GEORGE], who has devoted many years of his life to service in the Senate of the United States and who, as the respected and distinguished leader of the Committee on Foreign Relations, has led the fight on the floor of the Senate for the mutual-security bill sponsored by the administration. Some of the rest of us have been pleased to join with him in trying to bring through this legislative battle a piece of proposed legislation which I believe to be important for the future of our country and the preservation of a free world of free men.

Mr. President, we owe our thanks to Senators on both sides of the aisle who have been prepared to join together, and who have joined together, not as partisans, not seeking any political advantage, but as Americans determined that we will maintain this free Republic and carry on our part in present-day civilization.

Mr. JOHNSON of Texas. Mr. President, on the question of final passage of the bill, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President, I yield 2 minutes to the senior Senator from New Jersey.

The PRESIDING OFFICER (Mr. MONROE in the chair). The Senator from New Jersey is recognized for 2 minutes.

Mr. SMITH of New Jersey. Mr. President, I wish to express my deep appreciation of the remarks which have been made by the majority leader and the minority leader, and I also wish to ex-



press my personal appreciation of the way they have helped in this work. In addition, I wish to give full credit to the Foreign Relations Committee, and to the Senator from Georgia [Mr. GEORGE], its chairman.

Mr. President, I now seek to obtain unanimous consent to have a memorandum printed in the RECORD before the debate on this bill is closed. One of the big problems which has faced us during this debate and during the study our committee has been the problem of unexpended balances under the mutual security program. It is a very complicated subject, and I admit that for a long time I was completely baffled by it. The chairman of the committee asked me to make a study of it, for the benefit of the Senate, in connection with this debate.

Therefore, Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a memorandum, based on a study I have had made by the staff of the Foreign Relations Committee, and also by my own staff, covering the unexpended balances—a subject which has disturbed us very much. The memorandum covers the military and the nonmilitary phases of the unexpended-balances issue.

The PRESIDING OFFICER. Without objection—

Mr. CASE of South Dakota. Mr. President, reserving the right to object—although I do not intend to object—let me say that I think the matter to which the Senator from New Jersey has just referred is the crux of the question before us, insofar as I am concerned.

Under my reservation of the right to object, I should like to ask the distinguished Senator from New Jersey what the figures show regarding the total unexpended balances.

Mr. SMITH of New Jersey. I shall be glad to answer, if I have time in which to do so.

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes.

Mr. SMITH of New Jersey. Mr. President, the memorandum shows that as of June 30, 1956, the military unexpended balances under the Department of Defense amount to \$5,109.4 million, or slightly in excess of \$5 billion; and also that there are unexpended balances in the International Cooperation Administration, and some unexpended balances for direct forces support. The total of military unexpended balances amounts to \$5,059.1 million.

Mr. CASE of South Dakota. It is in excess of \$5 billion?

Mr. SMITH of New Jersey. Yes, it is slightly in excess of \$5 billion. But the obligated or reserve funds in the military assistance program are estimated at \$4,863.6 million, and that includes \$39.7 million of obligated funds under the International Cooperation Administration.

Therefore, Mr. President, this means that the total of unexpended unobligated funds in the military assistance program is estimated at \$1.95.5 million as of June 30, 1956.

The memorandum shows how these obligated balances are assigned, and how the unobligated balances are arrived at. The memorandum also deals with the nonmilitary unexpended balances, which constitute a very much smaller amount, all told; in that category there are \$1,-818.6 million unexpended balances but only \$146.9 million of that is unobligated.

The memorandum also states what we mean by lead time. I have tried to list these figures in such a way as to explain this very complicated problem, which to me was inexplicable for a long time, but which we have worked out.

I feel it important that this information be placed in the RECORD, for the benefit of the entire Senate. I hope it will be extremely helpful next fall or later next year, when we study the entire problem. I hope this information will help improve the system of accounting. I admit that all of us were at first baffled by this issue. I hope the material I am now submitting for the RECORD will help improve the system of accounting.

Mr. CASE of South Dakota. Mr. President, certainly I have no objection to having the figures printed in the RECORD. I had hoped they would be available earlier in the debate. Of course, I am very glad that the figures have been prepared by that time at least. My own feeling is—

The PRESIDING OFFICER. The Senator from South Dakota has reserved the right to object, and is making a speech, for which time will have to be yielded to him by the majority leader or the minority leader.

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, whenever we have had this annual discussion of the subject, ever since the Marshall plan was first inaugurated, I have listened. We have heard something of the same story as to the purpose to be served, how it would be accomplished, and why it was necessary that a certain figure had to be authorized.

I do not question the purposes of the program, but I do question the amounts. I feel that the unobligated balances are so large that, coupled with the proposed appropriation, they represent a larger amount than should be made available for this purpose. Therefore I shall vote against the bill, not because I am opposed to its purposes, but because I believe it would be better administered if there were not so much funds made available that it is practically impossible for even a distinguished Senator like the Senator from New Jersey to present the figures without saying he is confused. We would have better administration and a better program if the figures were more sharply defined, and if the amount were not so large.

I withdraw the objection to the printing in the RECORD of the memorandum submitted by the Senator from New Jersey.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

There being no objection, the memorandum submitted by Mr. SMITH of New

Jersey was ordered to be printed in the RECORD, as follows:

#### ESTIMATED UNEXPENDED BALANCES IN THE MUTUAL SECURITY PROGRAM AS OF JUNE 30, 1956

##### I. CONTENTIONS TO BE MET

1. There has been opposition to appropriation or authorization of further sizable funds for the military-assistance program due to the existence of large so-called unexpended balances in the program.

2. It has been suggested that these unexpended balances are sufficient to run the program for 2 years at the current annual rate of expenditure. (Approximately 2.5 billion per annum.)

##### II. DEFINITION OF TERMS

In order to clarify any discussion of the unexpended balance situation, it is necessary initially to define a few of the terms involved with some precision.

A. Unexpended balances: Includes all funds previously authorized and appropriated which have not been expended, i. e., payment has not been made for goods delivered. This total at any time will include three different classes of funds.

1. Obligated funds: Funds which have been utilized for the negotiation of contracts with suppliers and manufacturers for end items or services which have not as yet been delivered. Represents commitment of funds in strict technical compliance with section 1311 of the Supplemental Appropriation Act of 1955. The technical obligation of the funds occurs when the military-assistance funds are cited in a contract.

2. Reserved funds: Funds which have been allocated to pay for equipment ordered from our own military services. The services utilize their own funds in contracting for such items, or for the purchase of replacement items for their own use—replacing items in stock which will be made available to the military-assistance programs upon the receipt of appropriate replacement items. Such contracts placed by the military services are made on the basis of reserved funds in the military-assistance program. Although such reservations are not technically obligations, a reservation has substantially the same effect as an obligation since, pursuant to statutory direction, funds held in reservation cease to be available for other purposes. (Sec. 108, Mutual Security Appropriation Act, 1956.)

3. Unobligated funds: Funds for which obligations or reservations have not been made.

##### III. MILITARY UNEXPENDED BALANCES, JUNE 30, 1956

1. Amount unexpended: Mr. President, the Defense Department estimates that the total of unexpended balances of military funds under the Defense Department on June 30, 1956, would be \$5,019.4 million or slightly over \$5 billion.

There also will be \$31.2 million of unexpended balances for military assistance under the International Cooperation Administration, \$6.1 million under ICA in military assistance for common-use items, and \$2.4 million under ICA for Direct Forces Support.

Therefore, including these military funds under ICA, the unexpended balances on June 30, 1956, for the total military assistance program comes to \$5,059.1 million.

2. Amount of unexpended balances obligated or reserved: Mr. President, the total of obligated or reserved funds in the military assistance program is estimated to be \$4,863.6 million as of June 30, 1956. This includes \$39.7 million obligated funds under the International Cooperation Administration.

Therefore, Mr. President, the total of unobligated funds in the military-assistance program is estimated at \$1.95.5 million as of June 30, 1956. All of this figure comes under



the Department of Defense. ICA will have no unobligated funds for military assistance as of that date.

3. Mr. President, these unexpended balances can be broken down as follows:

(a) German program plus multilateral commitments for infrastructure, military headquarters, etc., \$1.2 billion.

(b) All other programs, \$3.8 billion.

(1) Air Force equipment orders (approximate), \$2 billion.

(2) Army equipment orders (approximate) \$1 billion.

(3) Navy equipment orders (approximate) \$0.5 billion.

(4) Miscellaneous (nonregional, special, etc.) \$0.3 billion.

4. Thus, the total of unexpended balances anticipated for the military assistance program for June 30, 1956, is almost completely obligated or reserved towards the payment, upon delivery, for specific quantities of specific types of equipment for specific countries.

#### IV. NONMILITARY UNEXPENDED BALANCES, JUNE 30, 1956

1. Amount unexpended: It is estimated in the committee report, page 51, that the total of unexpended balances of nonmilitary funds on June 30, 1956 will be \$1,818.6 million. This figure can be found under "Other mutual security programs."

2. Amount obligated: Of these nonmilitary unexpended balances, the total of obligated funds is estimated to be \$1,671.7 million as of June 30, 1956.

3. Amount unobligated: Therefore, Mr. President, the total amount of unobligated nonmilitary funds as of June 30, 1956 will be \$146.9 million.

In the case of nonmilitary assistance, the unobligated balance is largely accounted for by \$90 million in the President's Asian Development Fund (which was originally intended for a 3-year period) and by \$45.3 million for Palestine refugees. It has not been possible to obligate this money because of the political situation in this area.

#### V. LEAD TIME

A crucial consideration in the question of unexpended balances is that of lead time in the delivery of equipment, i. e. the amount of time that it takes to obtain delivery of specific equipment to specific countries after authorization and appropriation have been made.

Here again, there are various elements involved. In addition to the production lead times for the assembling of equipment, there is a necessary administrative lead time to insure the orderly pursuit of the objectives of the military assistance program.

1. Administrative lead-time: Once the Congress has passed the authorization and appropriation bills for the mutual security program, the military assistance program must be reprogrammed, i. e., the sums actually authorized and appropriated to the program must be reconciled with the amounts requested, and the programs re-evaluated to whatever changed conditions may have developed between the preparation of the program and the final action by Congress. (It should be obvious that there is necessarily considerable time between the initial preparation of authorization requests and the final appropriation of the money—as in all budget preparations—for instance, the preparation for fiscal year 1958 is already being initiated with the military assistance advisory groups in the field.)

Various persons dealing with the administration of this program have testified before the Senate and House committees that the "reprogramming" phase consumes at least 6 months. That the necessary consultations with the personnel in the various countries, the area field commanders, the State Department, the ICA, the Joint Chiefs, and the like preclude the availability of the funds

appropriated for any fiscal year before January 1.

Thus there is about a 6-month administrative lead time in the obligation and expenditure of appropriated funds in any fiscal year. In addition, once the reprogramming has been completed, and the needs for military equipment have been finally determined within the funds available, then there is substantial production lead time prior to the delivery of any equipment.

2. Production lead time: It is almost impossible for funds appropriated in a fiscal year to result in the delivery and receipt of equipment during that same fiscal year. Even the shortest production lead time items cannot be delivered prior to the expiration of the fiscal year after the reprogramming stage has been completed. With longer production lead-time items such as aircraft and naval ships, production lead time plus administrative lead time consumes up to 2 and 3 years.

3. Delivery lead time: Furthermore, in most instances there is encountered a delivery lead time. Since the funds do not become expended until actual delivery to the docks for overseas shipment there is additional time consumed before the actual expenditure of funds. Shipment to appropriate ports plus time consumed in processing paper work for payment may add several weeks to total lead time.

4. Lead time and fiscal year 1957 appropriations: With all these considerations of lead time, an illustration of the nature of the unexpended balances can be made with the fiscal year 1957 appropriations. Of the total of approximately \$3 billion appropriation which the administration requested for the military assistance program, only \$0.4 billion was estimated for expenditure during the fiscal year 1957. Practically all of that total would be consumed in fixed charges, direct forces support, training, administration, and packing, crating, handling, and transportation of end-items delivered under prior year appropriations.

Of the remainder of the requested fiscal year 1957 appropriation, \$1.1 billion would be expended in fiscal year 1958, and \$1.5 billion, half of the total requested, would remain unexpended until equipment deliveries and payment in fiscal year 1959.

#### VI. UNEXPENDED BALANCES AND MILITARY PLANNING

The great bulk of the unexpended balances actually represents equipment ordered, in the process of production and release, committed to specific countries, but not yet delivered and paid for.

These funds are definitely committed to particular programs. As Deputy Assistant Secretary of Defense E. Perkins McGuire testified, "In most cases our allies have based their own defense and budgetary plans on the assumption that the material and services in these programs would be received from the United States. Thus these items are not available to any substantial degree for redistribution as a consequence of failure to reappropriate needed unobligated balances or failure to appropriate required amounts of new funds."

Furthermore, the equipment represented by the unexpended balances is not necessarily transferable from one country to another because of the special character of that equipment. That is, equipment which is under contract for production and delivery to NATO would probably have little use in meeting the military needs in Indochina, and likewise vice versa.

Reliance upon unexpended balances to carry the program forward, without sufficient additional authorization for fiscal year 1957, can only result in a definite lag during fiscal year 1958 and fiscal year 1959. The military assistance program needs new obligational authority now in order to insure that appro-

priate levels of delivery and assistance will be flowing to our allies during those fiscal years. We cannot repair this situation with increased authorization during future years. Contracts must be placed during fiscal year 1957 in order to anticipate inevitable lead time in deliveries for fiscal years 1958 and 1959.

Mr. LONG. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, I am sorry I cannot vote for the bill. I would like to have voted for what appeared to be a reasonable foreign-aid bill. It has always been my feeling that since the Korean war, during which time we were appropriating as much as \$7 billion a year for foreign-aid purposes, we should have been reducing the amounts appropriated for that purpose.

Nothing that has happened during the past year would, in my judgment, justify the Congress in appropriating more money this year than was appropriated last year or the year before. This year we are appropriating \$1,500,000,000 more, by action of the Senate, than was appropriated the previous year. That is an increase of almost 60 percent, which is a reversal of the trend. It is a move in the direction of disposing of much more of the resources of our people in the foreign-aid program. It seems to me that we should have reduced the program, rather than increase it by 60 percent.

Senators know that since 1953 we have been steadily reducing appropriations, and steadily reducing carried-over balances. Now we are reversing the trend.

I hope that some day within the next 10 years we may get this program down to a figure which the American people will not resent. The American people feel that we are spending far too much on this program, and I think they are right in that feeling. So long as additional funds are to be appropriated, and so much money is to be carried forward, I feel that I must vote against the bill.

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. Mr. President, as one who would not vote a thin dime for donation programs unless he felt that they were in the interest of the security of the United States, I wish to say that I am very much disturbed by the political undertones of certain statements made here tonight with regard to what I approach as a completely non-partisan and unpartisan action in the interest of the security of the country.

I have had the honor and the privilege, and sometimes the burden, of serving on the Foreign Relations Committee for the past 10 years. I was a member of the committee in the 80th Congress, when the so-called Marshall Plan was inaugurated. That was a Republican Congress, which authorized the requests of a Democratic administration to spend vast sums of money in an attempt to help in the reconstruction of a war-torn Europe.



I had been in many countries of Europe at that time, and I visited many others later. I saw what I thought was the need for a humane, humanitarian approach to the reconstruction of the economy of those countries, not as a donation program, but in the self-interest of America and a free society.

It was not the Republican Party or the Republicans who gave China to the Russians. It was not the Republican Party or the Republican leadership which put the Kremlin in possession of world dominion, a position in which today it controls more than a third of the population of the world. But today, in this administration, it is the responsibility of the Republican Party to pick up the pieces of the debris which were left as a result of those ill-advised settlements near the close and at the close of World War II.

We are not dodging or shirking that responsibility, at least so far as the leadership is concerned. I am willing to assume it, unpopular as it may be, and unpopular as may be the taxes which are necessary as a result of those past mistakes.

So tonight I dislike to hear the connotation and the insinuation that this is a Republican mistake that we are trying to support. I think it is the responsibility of the American people to act in the best interests of America and of future generations. The only excuse I have for voting for great expenditures of money abroad is that it is in the interest of the security of the United States and tomorrow's generation.

I am sad tonight that political undertones have crept into the excuses for voting for the bill. We are all concerned about our country, its future, and its security.

I have voted in various ways. I have voted in times past to eliminate the giveaway programs. Today I suggest that in this bill 75 percent of the advances which we make in the so-called giveaway programs are on the basis of repayment. That is a victory for those of us who do not believe in giving away money in a charitable gesture, but rather putting it on the basis that those who receive it will repay it at some future date.

This is not a giveaway program. It is in contrast with the original programs, which gave away vast sums of money without any responsibility on the recipients to pay it back.

This evening I earnestly hope that the Senate will not undertake to assert that this is a political manipulation on the part of those of us who vote for the bill, in spite of the mistakes of the present administration. The Senators who vote for it should vote for it because it is the continuance of a program which was started by a combination of Democratic executive leadership and Republican legislative authority. It started in the 80th Congress. I hope that we shall not adopt an attitude either for or against the bill for reasons of political advantage. I hope we shall be big enough, as a country and as a legislative body, to see that, whichever way we vote—and many Senators will vote against this bill, and many will vote for it—we shall

be voting for what we believe to be the long-range security and the best interests of our country, and of tomorrow's generation.

Mr. KNOWLAND. Mr. President, I yield 2 minutes to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, I fear that the country will be shocked at the charges we have heard, to the effect that this administration is a failure. I certainly was shocked to hear that our domestic policies have been failures, and that our foreign policy has also failed.

Mr. President, what is failure? Does the fact that our present foreign trade is the greatest in peacetime history and is steadily increasing indicate failure?

Is the fact that we have not been engaged in war and that there has been no major war anywhere in the world for 3 years evidence of failure?

Does the fact that we are enjoying the greatest prosperity we have ever known, either in wartime or in peacetime, warrant the charge of failure?

Does the fact that during the past 3 years we have made great cuts in our taxes and have balanced our budget and put our fiscal system in a sound condition constitutes a failure?

Mr. President, if this be failure, may this kind of failure last forever.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from North Carolina.

Mr. ERVIN. Mr. President, I should like to vote for an aid bill which gives reasonable technical assistance to underdeveloped countries to help them to help themselves. I should like to vote for an aid bill which gives military assistance to those nations which have manifested a willingness to stand by the free world in any possible conflict with the Soviet bloc. I should like to vote for an aid bill which gives economic assistance to countries like South Korea and Formosa, which are incapable of self-support.

However, I must confess that the concoction of international slumgullion embodied in the pending bill is more than I can support.

In order to vote for technical assistance and economic aid to those countries which are in need of those things and which are friends of America, I must, under the pending bill, vote for economic aid for countries which have constantly manifested their hostility to this country.

In order to vote for military aid to those nations which have shown their willingness to stand by the free world in any possible conflict with the Soviet bloc, I must vote for military aid for one nation whose leader stated a short time ago that he would never again be separated from Russia, and I must vote for military aid to other nations which, according to the sworn testimony which has been adduced before a committee of which I am a member, are selling strategic materials to Russia and to the other countries of the Soviet bloc—materials which can be used to destroy the lives of American boys in the event of hostilities between America and the Soviet bloc.

That is just too much for my conscience to stand. I shall not vote for the bill for those reasons.

The bill, as the distinguished junior Senator from Louisiana has pointed out, increases the appropriation for foreign aid in the 12th year after the end of the Second World War, over the appropriation for the 11th year by \$1½ billion. It does this at a time when those in charge of the administration of the foreign-aid program already have unexpended funds totaling \$6,800 million at their disposal.

The appropriation authorized by this bill would take at least \$55 million out of the pockets of the taxpayers of my State of North Carolina at a time when my State has great difficulty in finding enough money with which to educate its children and defray its other necessary expenses. A part of that money would be given to Tito and to countries which are selling strategic materials to Russia. That is too much for me.

Although I have the greatest respect for the judgment of the very genial and able majority leader, I cannot share his feeling that the defeat of this bill would cause any injury to us or the free world. I believe if we did the intelligent thing tonight by voting down this bill, the administration would forthwith come in with an intelligent bill that we could conscientiously support.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. KNOWLAND. Mr. President, I yield 4 minutes to the Senator from South Dakota.

Mr. MUNDT. Mr. President, it seems to me that during a good deal of the debate of the last hour or two we have lost sight of one very important factor which should be high in our minds as we come to cast our decisive vote on this important bill.

I think the important fact is that we are debating this bill at a time when we are nearing the half-year mark in the fourth successive year of peace in the world, certainly a peace so far as all our American soldiers are concerned.

I do not know, and I am sure no other human being knows for sure, the precise formula by which peace is made and by which peace is preserved. Undoubtedly, preserving world peace results from a combination of contributing factors.

At least peace must have some association with the things which we are doing concurrently at the time when we have peace. There must be some relationship between peace and the political and military leadership supplied by the United States as the recognized leader of the free world. Presumably there is a relationship between peace and NATO, which has tended to bind together and to keep going in a common direction a great many of our associates in Western Europe, and the united strength of their armed forces and fabricating plants.

Presumably there is also a relationship between peace and the mutual security program, which provides for countries all over the world some kind of connection, some kind of relationship with the United States and with the other free countries of the world, so we continue



moving together, in an economic sense and in a military sense, as a common phalanx of freedom against aggressive world communism.

As for me, I am thinking tonight of what a noncontroversial Republican said a long time ago. He was a Republican by the name of Abraham Lincoln. He said he could never determine which leg of a three-legged stool was most important, because if you knock off any leg the stool falls to the ground.

Perhaps we ought to think a little bit about that tonight. We all want peace. We want it preserved. The three factors I have mentioned have been operating concurrently with our peace. Before we run the risk of kicking a leg off the stool and supplying nothing in its place, perhaps we had better run the risk of being a little bit unpopular at home by assuming our full responsibility as Senators by supporting the Secretary of State, by supporting President Eisenhower, and by supporting those in the world who are trying to march together and work together against this tremendous force of militaristic, aggressive, godless communism.

Mr. President, of course the easy vote is "no"; perhaps the popular vote is also "no." There is always much appeal in the persuasive suggestion that we spend this money on ourselves rather than in this global effort to help strengthen others to work with us and to stand with us against aggressive communism. But, sir, peace is a going concern in the world today and our great President, Dwight D. Eisenhower, who did so much to make and keep it a going concern tells us he needs this authorization bill to hold the line for peace. Who among us who might vote "no" can better promote a program for peace than our President who solemnly assures us he needs this tool to continue and complete the task? Who among us who might vote "no" would assume the blame for war if defeat of this measure signals the world that collective security as a concept for the free world has thus been killed? Mr. President, by my vote tonight I refuse to expand the risk of war or to decrease the hope for peace, reluctant though I am to vote for the full figure of this bill. If I err tonight, as all humans must and do, I want my error to be on the side of voting too much rather than too little for a program which has helped preserve the peace.

I think the money item in this bill is too big. I say to you now, as a member of the Senate Committee on Appropriations, that I expect to vote for substantial reductions in this bill when it comes to the appropriations. But tonight we now face the choice that we either vote for all of it or none of it. We vote, in my opinion, for too little or too much. We now must vote for all of it or none of it. We now must vote to stay in or get out. I would rather vote to authorize spending a little too much tonight for peace, than run the risk of voting a great deal too little for peace. I prefer an economical peace but I prefer an expensive peace, even, as against risking the world fall-apart that would kick off another war.

Since we now have no alternative, we will do well to pass this authorization bill; we will do well to present it to the Appropriations Committee, and there make the careful, scrutinizing reductions which I am sure are possible and which I believe will have the votes to effectuate.

The difficulty is, Mr. President, if we vote "no" tonight, where do we go? We cannot just walk out of the world and slam the door and look up into space. We are still in the world. There is no other able and proper world leader to take our place. Unless we can provide some other device, some other peace-preserving program, some other tactic, another leg to take the place of the one on the footstool of peace that we would kick out, and thus destroy the only peace program which we have, it seems to me, Mr. President, we are forced tonight perhaps to vote for a little too much money in authorizations, so that we can vote the right amount when appropriation times comes along. It is hard to estimate the proper dollar sign for peace or the full cost of war, Mr. President. But to vote "no" now is to scrap a program associated with our peace without supplying anything in the awful vacuum which we would create.

I was in hopes, Mr. President, that Congress would appropriate some money and authorize a Hoover type commission of some kind as recommended by Senator KNOWLAND, to bring into the next session of Congress a substitute for foreign aid, a substitute for the present program. Perhaps we will get that in any event, if we adopt the resolution for the Senate to set up a study commission of its own and if the President carries out his indication that he will appoint his own executive study committee. In that event, we should come up next year with another kind of program for world cooperation, some other program for holding together the forces of peace.

But in the meantime, Mr. President, I do not want my vote to be responsible in part for running the risk of jeopardizing the peace that we have won at such great cost.

Finally, Mr. President, let me reiterate the hope that by next year we shall have developed or evolved a better, less expensive program to preserve the peace. I hope loans may supplant grants and that better, closer cooperations may be developed among the non-Communist nations of the world. I hope more can then be done, then by others to help themselves and to make contributions to our common cause of peace and freedom. But above all, Mr. President, I hope and pray that a year from now we shall still have our precious peace so we can argue and debate the best means of sustaining it rather than once again being compelled to spend the billions of dollars and the millions of lives which another cruel war would cost us.

Our working formula for peace, Mr. President, is far from perfect. But, sir, it is working. And we do have peace in the world. This may not be the best plan for preserving peace but it is the only plan and program for which we

can vote tonight. It gives great promise of helping to sustain the peace another year. It should give us time to test and evolve other methods and new approaches. Let us not destroy what we have and what is working until we discover a new formula and provide something more than unsupported hope as the substance of our crusade for peace. If we appropriate or authorize too much, Mr. President, we can rescind or reduce our expenditures but if we authorize too little and war eventuates we cannot revive a single lost life or reduce the dimensions of the calamity of an atomic war by any act of Congress or by any proclamation by the President.

So, Mr. President, I shall vote "yes" despite the temptation to take the easy route of voting "no." I shall not vote to pull apart the peace which we have already spent so much to put together. I shall hope and work for a better program to preserve the peace but until we can develop it I shall not vote to kick a support out from under the stool President Eisenhower tells us he requires to meet the war threats and the Communist challenges of today.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield back the remainder of my time on the bill, provided the minority leader will yield back the time remaining to him.

Mr. KNOWLAND. Mr. President, I am prepared to yield back the remainder of my time.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is, Shall the bill pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BENDER (when his name was called). I have a pair with the Senator from Indiana [Mr. JENNER], who is necessarily absent. If he were present, he would vote "nay"; if I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. MORSE (when his name was called). I have a pair with the Senator from Georgia [Mr. RUSSELL]. If he were present, he would vote "nay"; if I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. DANIEL], the Senator from Rhode Island [Mr. GREEN], the Senator from Kentucky [Mr. HUMPHREYS], the Senator from West Virginia [Mr. LAIRD], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL], are absent on official business.

I also announce that the Senator from West Virginia [Mr. NEELY] is necessarily absent.

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Rhode Island would vote "yea."



The Senator from Texas [Mr. DANIEL] is paired with the Senator from Kentucky [Mr. HUMPHREYS]. If present and voting, the Senator from Texas would vote "nay" and the Senator from Kentucky would vote "yea."

The Senator from West Virginia [Mr. LAIRD] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from West Virginia would vote "yea" and the Senator from Washington would vote "nay."

I further announce that the Senator from West Virginia [Mr. NEELY], if present and voting, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate for the purpose of attending the Indiana Republican State convention.

The Senator from Indiana [Mr. JENNER] is necessarily absent, and his pair with the Senator from Ohio [Mr. BENDER] has been announced previously.

The Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. MARTIN], the Senator from Wisconsin [Mr. WILEY], and the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPEL] are absent on official business.

If present and voting, the Senator from Iowa [Mr. MARTIN], the Senator from Kansas [Mr. SCHOEPEL], the Senator from Wisconsin [Mr. WILEY], would each vote "yea."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Arizona would vote "nay."

The result was announced—yeas 54, nays 25, as follows:

## YEAS—54

Alken	Hennings	Mundt
Allott	Hickenlooper	Murray
Anderson	Hill	Neuberger
Beall	Holland	Pastore
Bennett	Humphrey,	Payne
Bridges	Minn.	Potter
Bush	Ives	Purtell
Butler	Jackson	Robertson
Case, N. J.	Johnson, Tex.	Saltonstall
Clements	Kefauver	Scott
Cotton	Kennedy	Smathers
Dirksen	Knowland	Smith, Maine
Douglas	Kuchel	Smith, N. J.
Duff	Lehman	Sparkman
Flanders	Mansfield	Symington
Fulbright	Martin, Pa.	Thye
George	McNamara	Watkins
Gore	Millikin	
Hayden	Monroney	

## NAYS—25

Barrett	Ervin	McClellan
Bible	Frear	O'Mahoney
Bricker	Hruska	Stennis
Case, S. Dak.	Johnston, S. C.	Welker
Chavez	Kerr	Williams
Curtis	Langer	Wofford
Dworshak	Long	Young
Eastland	Malone	
Ellender	McCarthy	

## NOT VOTING—17

Bender	Green	Martin, Iowa
Byrd	Humphreys,	Morse
Capehart	Ky.	Neely
Carlson	Jenner	Russell
Daniel	Laird	Schoeppel
Goldwater	Magnuson	Wiley

So the bill (H. R. 11356) was passed. Mr. GEORGE. Mr. President, I ask unanimous consent that the bill be printed with the Senate amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GEORGE. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GEORGE, Mr. GREEN, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. SMITH of New Jersey, Mr. HICKENLOOPER, and Mr. KNOWLAND conferees on the part of the Senate.

#### AUTHORIZATION FOR THE PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILLS AND RESOLUTIONS DURING ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I submit an order and ask that it be read.

The PRESIDING OFFICER. The order will be read for the information of the Senate.

The Chief Clerk read as follows:

Ordered, That notwithstanding the adjournment following today's session, the President pro tempore be authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The PRESIDING OFFICER. The question is on agreeing to the order.

Mr. JOHNSTON of Texas. I move that the order be agreed to.

The motion was agreed to.

#### BENEFITS FOR SURVIVORS OF SERVICEMEN AND VETERANS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 2401, H. R. 7089, to provide benefits for the survivors of servicemen and veterans, and for other purposes.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7089) to provide benefits for the survivors of servicemen and veterans, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Tennessee [Mr. KEFAUVER].

#### CORRECTION OF THE ANNOUNCEMENT OF A VOTE

Mr. KEFAUVER. Mr. President, on March 15 a rollcall vote was taken on Senator HICKENLOOPER's motion to recommit the conference report on H. R. 8320 on which I was recorded as being announced for the motion. Since this was an error in recording my vote, I therefore ask unanimous consent that the mistake be corrected and that I be shown on the announcement as being against the motion to recommit.

The PRESIDING OFFICER. The correction will be made.

#### FIFTIETH ANNIVERSARY OF PURE FOOD AND MEAT INSPECTION ACT

Mr. HUMPHREY of Minnesota. Mr. President, tomorrow, June 30, 1956, marks the historic 50th anniversary of two of the most forward-looking, liberal pieces of legislation ever designed to protect the health and welfare of the American people. I refer to the first Pure Food and Drug Act—Public Law 384, 59th Congress, 1st session, Thirty-fourth United States Statutes at Large, page 768—and the first Meat Inspection Act—Public Law 382, Thirty-fourth United States Statutes at Large, page 674, 59th Congress, 1st session—both signed into law on June 30, 1906, by the great conservationist and humanitarian, Theodore Roosevelt.

Mr. President, we can never reiterate too much the necessity of this type of legislation, nor can we ever relax our surveillance with respect to the protection and improvement of the human resources of this Nation. The problems of health are like the duties of the housewife: they are never finished. Thus, the celebration of the 50th anniversary of this historic legislation should remind us of our continuing responsibility to review the need for improved legislation and improved enforcement procedures of our pure food and meat inspection laws.

It is fitting on this occasion, Mr. President, to recall the conditions that preceded pure food and meat inspection legislation. This type of legislation became imperative because of the willingness of producers of food, drink, and drugs to inundate the markets of the country with adulterated merchandise. Here was a shameful blight on our national conscience because immoral manufacturers put profit ahead of the welfare of the consuming public. Heinous frauds were perpetrated on the unwitting consumer who bought inferior articles labeled as goods of standard quality. Moreover, we must recall the serious menace to public health that these practices engendered; food products, particularly meat, were commonly sold which were impure, diseased, or otherwise completely unfit for human consumption. The grossness of these abuses culminated in the enactment of the first pure food and drug and meat inspection laws.

The Congress led the way and its example provided the States with the incentive to make improvements on the Federal law within their own jurisdictions. Originally, the Congress was faced by constitutional obstacles, because no authority was given by that instrument to legislate on food and drugs or the regulation of the processes of manufacturing. Finally, the interstate commerce clause was used as the basis of this legislation. But the original laws were weak.

It was in 1938, under the leadership of Franklin D. Roosevelt, that a Food and Drug Administration was set up under authority of Public Law 717—Fifty-second United States Statutes at Large, page 1040, 75th Congress, 3d session—which put teeth in the earlier law.









July 2, 1956

SURPLUS COMMODITIES.

16. S. 3903, to increase the amount under title 1 of the Agricultural Trade Development and Assistance Act, was made the unfinished business. pp. 10440, 10485
17. CCC BORROWING POWER. Sen. Ellender urged prompt consideration of S. 3820, to increase the borrowing power of CCC. p. 10440

HOUSE

18. RECLAMATION. Conferees were appointed on S. 1622, to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak., of the Missouri River Basin project. Senate conferees were appointed on June 29. p. 10499
19. WATERSHEDS. Passed without amendment H. R. 11873, to decrease the Congressional review period of projects under the Watershed Protection and Flood Prevention Act from 45 days to 15 days. p. 10515
20. PENALTY MAIL. Passed as reported S. 1871, to extend the penalty mail Act to Extension Directors and Experiment Stations. p. 10509
21. POSTAL RATES. Agreed to a resolution providing for the consideration of H. R. 11380, to readjust postal rates and to establish a congressional policy for the determination of postal rates. p. 10546
22. FOREIGN AID. Conferees were appointed on H. R. 11356, the mutual security bill. Senate conferees were appointed June 29. p. 10533
23. LAND TRANSFERS. Passed as reported H. R. 8817, to provide for the transfer of certain lands to Corbin, Ky. p. 10514  
The Agriculture Committee reported without amendment H. R. 9678, to provide for the transfer of the Baron of Castle site (formerly research land) to Sitka, Alaska (H. Rept. 2571). p. 10561  
The Forests Subcommittee of the Agriculture Committee ordered reported to the full committee H. R. 11895, to authorize the interchange of lands between the USDA and the military departments of the Defense Department. p. D726
24. FORESTRY. Passed without amendment H. R. 9339, to authorize the exchange of certain lands in Union County, Ga. for lands within the Chattahoochee National Forest, Ga. p. 10514  
The Agriculture Committee reported without amendment S. 2517, to release certain Tongass National Forest receipts from escrow (H. Rept. 2568). p. 10561
25. MILK. Passed without amendment H. R. 11375, to further extend the special school milk program to certain institutions for the care and training of children whether or not underprivileged. p. 10515
26. SEED. Passed without amendment S. 1688, to remove the criminal penalty for inadvertent violations of the Federal Seed Act and to prescribe civil penalties for such violations of the Act. This bill is now ready for the President. p. 10516
27. COMMODITY EXCHANGES. Passed as reported H. R. 9333, to give to certain consuming processors of cotton the privilege of buying cotton futures contracts in certain cases. p. 10516
28. TRANSPORTATION. At the request of Rep. Ford, after some discussion, passed over S. 898, to amend the Interstate Commerce Act, with respect to the authority of

the Interstate Commerce Commission to regulate the use by motor carriers (under leases, contracts, or other arrangements) of motor vehicles not owned by them, in the furnishing of transportation of property. p. 10512

29. CONTRACTS. The Ways and Means Committee reported on June 30 with amendment H.R. 11947, to extend and amend the Renegotiation Act of 1951 (H. Rept. 2549). p. 10560
30. SOIL CONSERVATION. The Agriculture Committee reported without amendment H. R. 8321, to further extend the period of Federal administration of the ACP program from Jan. 1, 1957 to Jan. 1, 1959 (H. Rept. 2570). p. 10561
31. PERSONNEL. Passed without amendment S. 1542, to authorize an allowance for civilian officers and employees of the Government who are notaries public. This bill is now ready for the President. p. 10508  
At the request of Rep. Gross, passed over S. 1815, to permit the exchange of employees of the USDA and employees of State-local political subdivisions or educational institutions. p. 10515  
Passed without amendment H. R. 11923, to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement. p. 10519  
The Executive and Legislative Reorganization Subcommittee of the Government Operations Committee ordered reported to the full committee H. R. 11515, to provide for the payment of travel and transportation costs of persons selected for appointment to certain positions in the U. S. and Alaska. p. D726
32. RECORDS. At the request of Rep. Cunningham, passed over S. 2364, to clarify GSA authority over records management. p. 10499
33. WATER PLANTS. Passed without amendment H. R. 11636, to amend Chapter 3 of Title 18, U. S. Code, to provide penalties for the transportation, sale of, or advertising for sale, in interstate commerce, of water hyacinth plants, water chestnut plants, or alligator grass. p. 10505
34. BUILDINGS. Passed without amendment S. 3866, to facilitate the making of lease-purchase agreements by GSA by deleting the requirement for approval of purchase contract agreements by the Director of the Bureau of the Budget and adding a requirement that the project statement by the Director shall be based on budgetary and related considerations, and not deemed to constitute approval of specific terms or provisions of any proposed agreement or of the selection of any particular contractor or lessor. This bill is now ready for the President. p. 10510.
35. WEATHER. Passed without amendment S. 2913, to extend for two years (until June 30, 1958) the Advisory Committee on Weather Control. This bill is now ready for the President. p. 10510
36. RESEARCH; ORGANIZATION. Passed without amendment H. R. 11575, to provide for an Assistant Secretary for Research and Development for each of the three military departments within the Defense Department. p. 10524
37. FLOOD CONTROL. Passed with amendment S. 3272, to increase and make certain revisions in the general authorization for small flood control projects. A similar bill, H. R. 9555, was laid on the table. p. 10529



these lines. It is the duty of the Board if they believe in it to go ahead and act.

Mr. JUDD. I agree with the gentleman on that, and I hope the CAB will do so promptly. If it is not fully happy about this bill—although it stated passage of the bill would be in the public interest—because it is opposed to one airline in it, then it can go ahead at once and grant permanent certification to the other two lines.

Mr. Speaker, one very good reason why this bill before us today should be passed, is because of the permanent certification of lines operating within the Hawaiian Islands—when air transportation is as indispensable as in Alaska, the delegate from Hawaii [Mrs. FARRINGTON] has worked long and ably on this matter and will be happy to achieve the success this bill represents.

(Mrs. FARRINGTON (at the request of Mr. JUDD) was given permission to extend her remarks at this point in the RECORD.)

Mrs. FARRINGTON. Mr. Speaker, in supporting S. 3163, I would like to point out that the people of the Territory of Hawaii are almost completely dependent on air transportation for travel and communication between the various islands of the Territory. Therefore, this legislation has widespread support throughout the Territory.

It has been pointed out that permanent certification of these airlines is important from the standpoint of defense. It is also important because of the element of competition which should be preserved in air transportation. Practically every phase of daily activity throughout the Territory is dependent upon interisland travel.

The granting of permanent certification to Trans-Pacific Airlines, the only carrier in the islands that does not have permanent certification, would enable this airline to plan on a long-term basis for new equipment and modernization of its general operating facilities which the other interisland carrier, Hawaiian Airlines, enjoys today.

Therefore, I hope that this body will enact this legislation.

The SPEAKER. The question is on suspending the rules and passing the bill.

The questions was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### MUTUAL SECURITY ACT

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. RICHARDS, GORDON, MORGAN, VORYS, and JUDD.

#### AUTHORIZING CONSTRUCTION OF BRIDGE OVER PANAMA CANAL AT BALBOA, C. Z.

Mr. BONNER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 9801) to authorize and direct the Panama Canal Company to construct, maintain, and operate a bridge over the Panama Canal at Balboa, C. Z.

The Clerk read, as follows:

*Be it enacted, etc.,* That it is hereby declared that the United States is obligated under the terms of point 4 of the General Relations Agreement between the United States and the Republic of Panama, effected by an exchange of notes signed at Washington on May 18, 1942 (Executive Agreement Series No. 452), to construct a tunnel under or a bridge over the Panama Canal at Balboa; that a high-level bridge at such point would be more desirable than a tunnel; that the construction, maintenance, and operation of any such bridge and the approaches thereto should be administered by the Panama Canal Company; and that the expenses of construction, maintenance, and operation of any such bridge and the approaches thereto should be treated as extraordinary expenses incurred through a directive based on national policy and not related to the operations of the Panama Canal Company.

SEC. 2. The Panama Canal Company is authorized and directed to construct, or to cause to be constructed, and to maintain and operate, a high-level bridge, including approaches, over the Panama Canal at Balboa, C. Z.

SEC. 3. There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BONNER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the necessity for this bill grows out of the fact that in 1942 the United States agreed with the Government of Panama to build this bridge across the Panama Canal, based on the Government of Panama giving to the United States for its national defense the privilege of setting up airbases in the Republic of Panama. There has been a delay in carrying it out but that, of course, is understood. Recently in the negotiations of the State Department with the Government of Panama in 1955 this matter came up. The State Department assured the Government of Panama that legislation would be sent to Congress and immediate action would be asked on it. It is therefore administration legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Iowa.

Mr. GROSS. Could not some other settlement have been worked out with the Panamanian Government rather than to build a \$20 million bridge concerning which the committee report has this to say:

The area is presently served by a ferry and there is no evidence that the bridge is justified by either present or prospective traffic.

Mr. BONNER. The report is correct, as the gentleman stated it. Nevertheless the United States Government in getting the privilege of building airfields and other military bases in the Republic of Panama agreed to build this bridge across the Panama Canal.

Mr. GROSS. Was there no settlement that could be worked out at a lesser figure than to build a white elephant bridge which is not justified by present or prospective traffic?

Mr. BONNER. I was not there at the time the agreement was made, but the agreement was made.

Mr. GROSS. Neither was I, but if I vote for this I am voting to place another \$20 million on the shoulders of the taxpayers of this country.

Mr. BONNER. The Government of Panama expects this area to expand. The road that is being built to South America goes through this area, and it is anticipated that this bridge will be utilized.

Mr. GROSS. That is not what the report says.

Mr. BONNER. I agree with the gentleman the report does not say that. Nevertheless, we agreed to build this bridge. The State Department has had its negotiations with Panama and it is very much disturbed that we have not fulfilled the obligation we assumed for the use of the bases in Panama during World War II.

Mr. GROSS. I do not know too much about the Panamanians, but I think they would be glad to deal on a considerably smaller basis than the construction of a bridge for which they have no substantial use and we have no use. I think there could have been a horse trade here that would not have saddled the taxpayers of this country with a \$20-million obligation.

Mr. BONNER. It is an administration measure, and I am presenting it to the House. It is said that we must carry out administration policies. I believe it is a fair thing, and I believe we should do it.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and the Speaker announced that in his opinion (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. HOFFMAN of Michigan. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 325, nays 59, not voting 49, as follows:



[Roll No. 85]

YEAS—325

Abbitt  
 Addonizio  
 Albert  
 Alexander  
 Allen, Calif.  
 Andrews  
 Anfuso  
 Arends  
 Ashley  
 Aspinall  
 Auchincloss  
 Avery  
 Ayres  
 Bailey  
 Baker  
 Baldwin  
 Barden  
 Barrett  
 Bass, N. H.  
 Bass, Tenn.  
 Bates  
 Baumhart  
 Beamer  
 Belcher  
 Bennett, Fla.  
 Betts  
 Blatnik  
 Blitch  
 Boggs  
 Boland  
 Bolling  
 Bolton  
 Bolton, Frances P.  
 Bolton, Oliver P.  
 Bonner  
 Bow  
 Boykin  
 Boyle  
 Bray  
 Brooks, La.  
 Brown, Ga.  
 Brown, Ohio  
 Broyhill  
 Buckley  
 Burleson  
 Burnside  
 Bush  
 Byrd  
 Byrne, Pa.  
 Byrnes, Wis.  
 Canfield  
 Cannon  
 Carlyle  
 Carnahan  
 Carrigg  
 Cederberg  
 Chase  
 Chenoweth  
 Chipherfield  
 Christopher  
 Chudoff  
 Clark  
 Clevenger  
 Cooley  
 Coon  
 Cooper  
 Corbett  
 Coudert  
 Cramer  
 Crumpacker  
 Cunningham  
 Curtis, Mass.  
 Dague  
 Davidson  
 Davis, Tenn.  
 Dawson, Ill.  
 Dawson, Utah  
 Deane  
 Delaney  
 Denton  
 Devereux  
 Dies  
 Diggs  
 Dingell  
 Dixon  
 Dodd  
 Dollinger  
 Dolliver  
 Dondero  
 Dorn, N. Y.  
 Dorn, S. C.  
 Doyle  
 Durham  
 Elliott  
 Ellsworth  
 Engle  
 Evins  
 Fallon  
 Feighan  
 Fenton

Fernandez  
 Fisher  
 Fjare  
 Flood  
 Forand  
 Ford  
 Forrester  
 Fountain  
 Frazier  
 Frelighuysen  
 Friedel  
 Fulton  
 Garmatz  
 Gary  
 Gathings  
 Gavin  
 Gordon  
 Gray  
 Green, Oreg.  
 Green, Pa.  
 Gregory  
 Griffiths  
 Gubser  
 Gwinn  
 Hagen  
 Haley  
 Halleck  
 Hand  
 Hardy  
 Harris  
 Harrison, Nebr.  
 Harrison, Va.  
 Harvey  
 Hays, Ark.  
 Hays, Ohio  
 Hayworth  
 Healey  
 Hébert  
 Henderson  
 Herlong  
 Heseltin  
 Hess  
 Hiestand  
 Hill  
 Hinshaw  
 Hoeven  
 Hoffman, Ill.  
 Hollifield  
 Holland  
 Holmes  
 Holtzman  
 Hope  
 Horan  
 Hosmer  
 Huddleston  
 Hull  
 Hyde  
 Ikard  
 Jackson  
 James  
 Jarman  
 Jenkins  
 Jennings  
 Johnson, Calif.  
 Johnson, Wis.  
 Jones, Ala.  
 Jones, Mo.  
 Jones, N. C.  
 Judd  
 Karsten  
 Kean  
 Kearns  
 Keating  
 Kelley, Pa.  
 Kelly, N. Y.  
 Keogh  
 Kilday  
 Kilgore  
 King, Calif.  
 King, Pa.  
 Kirwan  
 Klein  
 Kluczynski  
 Knutson  
 Lankford  
 Lesinski  
 Lipscomb  
 Long  
 Lovre  
 McCarthy  
 McConnell  
 McCormack  
 McCulloch  
 McDonough  
 McDowell  
 McGregor  
 McIntire  
 McVey  
 McDonald  
 Machrowicz  
 Mack, Ill.

Mack, Wash.  
 Madden  
 Magnuson  
 Mahon  
 Mailliard  
 Marshall  
 Martin  
 Matthews  
 Meader  
 Merrow  
 Metcalf  
 Miller, Calif.  
 Miller, Md.  
 Miller, Nebr.  
 Mills  
 Minshall  
 Molloyhan  
 Morano  
 Morgan  
 Moss  
 Murray, Ill.  
 Murray, Tenn.  
 Natcher  
 Nicholson  
 Norblad  
 Norrell  
 O'Brien, Ill.  
 O'Brien, N. Y.  
 O'Hara, Ill.  
 O'Neill  
 Osmer  
 Ostertag  
 Passman  
 Patterson  
 Pelly  
 Perkins  
 Pfost  
 Philbin  
 Phillips  
 Pilcher  
 Powell  
 Price  
 Priest  
 Prouty  
 Quigley  
 Rabaut  
 Radwan  
 Rains  
 Ray  
 Reed, N. Y.  
 Rees, Kans.  
 Reuss  
 Rhodes, Ariz.  
 Rhodes, Pa.  
 Riehlman  
 Riley  
 Rivers  
 Roberts  
 Robeson, Va.  
 Robson, Ky.  
 Rodino  
 Rogers, Colo.  
 Rogers, Fla.  
 Rogers, Mass.  
 Rogers, Tex.  
 Rooney  
 Rutherford  
 Sadlak  
 St. George  
 Saylor  
 Schenck  
 Schwengel  
 Scott  
 Scudder  
 Seeley-Brown  
 Selden  
 Sheehan  
 Shelley  
 Short  
 Shuford  
 Sleminski  
 Sikes  
 Simpson, Ill.  
 Sisk  
 Smith, Miss.  
 Smith, Va.  
 Spence  
 Springer  
 Staggers  
 Steed  
 Sullivan  
 Talle  
 Teague, Calif.  
 Thompson, Tex.  
 Thomson, Wyo.  
 Tollefson  
 Trimble  
 Tumulty  
 Udall  
 Utt  
 Van Zandt

Velde  
 Vinson  
 Vorys  
 Wainwright  
 Walter  
 Weaver  
 Westland  
 Whitten

Widnall  
 Wier  
 Wigglesworth  
 Williams, N. J.  
 Williams, N. Y.  
 Willis  
 Wilson, Calif.  
 Wilson, Ind.

Wolcott  
 Wolverton  
 Wright  
 Yates  
 Young  
 Younger  
 Zablocki  
 Zelenko

NAYS—59

Abernethy  
 Alger  
 Allen, Ill.  
 Andersen  
 H. Carl  
 Ashmore  
 Becker  
 Bennett, Mich.  
 Berry  
 Bosch  
 Budge  
 Burdick  
 Chelf  
 Church  
 Cole  
 Colmer  
 Curtis, Mo.  
 Davis, Ga.  
 Derounlan  
 Donovan  
 Dowdy

Fino  
 Flynt  
 Gentry  
 George  
 Grant  
 Gross  
 Hoffman, Mich.  
 Jensen  
 Johansen  
 Jonas  
 Kearney  
 Knox  
 Krueger  
 Laird  
 Latham  
 LeCompte  
 McMillan  
 Mason  
 Miller, N. Y.  
 Mumma  
 O'Konski

Pillion  
 Poff  
 Polk  
 Scherer  
 Scribner  
 Siler  
 Smith, Kans.  
 Smith, Wis.  
 Taber  
 Taylor  
 Thompson, Mich.  
 Tuck  
 Vanik  
 Vursell  
 Wharton  
 Williams, Miss.  
 Winstead  
 Withrow

NOT VOTING—49

Adair  
 Andresen  
 August H.  
 Bell  
 Bentley  
 Bowler  
 Brooks, Tex.  
 Brownson  
 Celler  
 Chatham  
 Cretella  
 Davis, Wis.  
 Dempsey  
 Donohue  
 Eberharter  
 Edmondson  
 Fascell

Fogarty  
 Gamble  
 Hale  
 Harden  
 Hillings  
 Holt  
 Kee  
 Kilburn  
 Landrum  
 Lane  
 Lanham  
 Morrison  
 Moulder  
 Multer  
 Nelson  
 O'Hara, Minn.  
 Patman

Poage  
 Preston  
 Reece, Tenn.  
 Richards  
 Roosevelt  
 Sheppard  
 Simpson, Pa.  
 Teague, Tex.  
 Thomas  
 Thompson, La.  
 Thompson, N. J.  
 Thornberry  
 Van Pelt  
 Watts  
 Wickersham

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Bell with Mr. Cretella.  
 Mr. Preston with Mr. Gamble.  
 Mr. Lanham with Mr. Simpson of Pennsylvania.  
 Mr. Landrum with Mr. Nelson.  
 Mr. Thompson of Louisiana with Mr. Adair.  
 Mr. Sheppard with Mrs. Harden.  
 Mr. Chatham with Mr. Bentley.  
 Mr. Celler with Mr. Van Pelt.  
 Mr. Boyler with Mr. Davis of Wisconsin.  
 Mr. Morrison with Mr. Brownson.  
 Mr. Moulder with Mr. August H. Andresen.  
 Mr. Fogarty with Mr. Kilburn.  
 Mr. Donohue with Mr. Holt.  
 Mr. Dempsey with Mr. Reece of Tennessee.  
 Mr. Wickersham with Mr. Hale.  
 Mr. Watts with Mr. O'Hara of Minnesota.  
 Mr. Thompson of New Jersey with Mr. Hillings.

Mr. COUDERT changed his vote from "nay" to "aye."

Mr. MILLER of New York, Mr. SCHERER, and Mr. KEARNEY changed their votes from "aye" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

#### TRAINING OF FISHING INDUSTRY PERSONNEL

Mr. BONNER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2379) to promote the fishing industry in the United States and its Territories by providing for the training of

needed personnel for such industry, as amended.

The Clerk read as follows:

*Be it enacted, etc.,* That (a) the Secretary of the Interior is authorized to make grants, out of funds appropriated for the purposes of this section, to public and nonprofit private universities and colleges in the several States and Territories of the United States for such purposes as may be necessary to promote the education and training of professionally trained personnel (including scientists, technicians and teachers) needed in the field of commercial fishing. Any amount appropriated for the purposes of this section shall be apportioned on an equitable basis, as determined by the Secretary of the Interior, among the several States and Territories for the purpose of making grants within each such State and Territory. In making such apportionment the Secretary of the Interior shall take into account the extent of the fishing industry within each State and Territory as compared with the total fishing industry of the United States (including Territories), and such other factors as may be relevant in view of the purposes of this section.

(b) There are authorized to be appropriated not in excess of \$550,000 for the fiscal year beginning on July 1, 1956, and for each fiscal year thereafter for the purposes of this section.

(c) The Secretary of the Interior may establish such regulations as may be necessary to carry out the provisions of this section.

SEC. 2. (a) Section 3 (a) of the Vocational Education Act of 1946 is amended by inserting after paragraph (4) the following new paragraph:

"(5) \$375,000 for vocational education in the fishery trades and industry and distributive occupations therein, to be apportioned for expenditure in the several States and Territories on an equitable basis, as determined by the United States Commissioner of Education after consultation with the Secretary of the Interior, taking into account the extent of the fishing industry of each State and Territory as compared with the total fishing industry of the United States (including Territories)."

(b) Section 3 (b) of such act is amended by striking out "paragraphs (1) to (4)" and inserting in lieu thereof "paragraphs (1) to (5)."

The SPEAKER. Is a second demanded?

Mr. BYRNES of Wisconsin. I demand a second.

Mr. BONNER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, this bill would provide urgently required encouragement of education of individuals in the field of commercial fisheries. There is an existing and increasingly serious lack of sufficiently trained manpower in the industry to assure its maintenance at a level consistent with the demands of our economy.

Mr. Speaker, in the field of commercial fishing there is a great need for professionally trained personnel, such as scientists, technicians and teachers. Expanded educational opportunities are necessary to arrest the trend away from commercial fishing by young men even in the area having a long and proud fishing tradition.









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 9, 1956

For actions of July 6 and 7, 1956

84th-2nd, Nos. 113 and 114

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HIGHLIGHTS: House committee reported mutual security appropriation bill. House passed bill to increase postal rates. Senate committee reported bill for payment-in-lieu-of-taxes on Government property. Sen. Watkins introduced and discussed bill to transfer antitrust authority over packers from USDA to FTC. House committee reported supplemental appropriation bill. House passed bill to increase CCC borrowing power. House received conference reports on: Mutual security authorization bill. Military construction bill. House committee reported Great Plains bill. House passed fisheries bill. Senate committee ordered reported bill for study of foreign assistance program.

### HOUSE - July 6

1. SUPPLEMENTAL APPROPRIATION BILL, 1957. The Appropriations Committee reported this bill, which includes the following items: Sugar Act program, CSS, \$189,000 increase (same as Budget estimate) in administrative expense limitation (no additional appropriation required); Federal Crop Insurance Corporation, \$13,000,000 (same as Budget estimate) to enable the Secretary of the Treasury to subscribe and pay for capital stock of the Corporation in order to provide adequate working capital; export control, Commerce Department, \$3,000,000; Budget Bureau, \$375,000 (\$30,000 below the Budget estimate), to assist in effectuating Hoover Commission recommendations on budgeting, accounting, and management; Commission on Government Security, \$600,000; increase in capital of general supply fund, GSA, \$8,000,000; Virgin Islands Corporation, for loans, \$125,000; D.C. Auditorium Commission, \$150,000; and funds for payment of claims, audited claims, and judgments. (H. R. 12138, H. Rept. 2638, Congressional Record of July 7, p. 10862.)



Excerpts from committee report:

Sugar Act program. "Language was included in House Document No. 403 to increase by \$189,000 the limitation for administrative expenses for fiscal year 1957 to meet additional functions contained in revisions to the Sugar Act... To enable the Department to meet these new responsibilities, and to place compliance checking on a current basis as rapidly as possible, the Committee recommends the budget proposal."

Crop insurance. "The proposed language contained in the accompanying bill will authorize the Secretary of the Treasury to provide an additional \$13,000,000 for capital stock of the corporation. Capital stock of \$100,000,000 is authorized of which \$27,000,000 has been subscribed to date.

"In view of heavy crop losses in certain disaster counties in recent years, the capital stock of the Corporation has been substantially reduced. It is estimated that the Corporation's net capital was about \$13.7 million as of June 30, 1956. Since a major portion of indemnities for the current year will be due in August and the bulk of premium collections are not available until several months later, early loss claims could exhaust the \$13.7 million before premium income is available.

"The Committee therefore recommends the proposed increase in the capital stock at this time to assure continued operation of this program, particularly in view of possible heavy losses in drought and disaster areas. It believes that assistance in disaster areas through this program is preferable to aid through disaster relief programs."

Advisory Committee on Weather Control. "The Committee has denied the estimate of \$350,000 for this activity, feeling that serious question exists as to whether or not its continuation is necessary. In addition, legislation authorizing extension of the Advisory Committee has not as yet been approved."

Budgeting; accounting. The committee report discusses in detail the Hoover Commission recommendations regarding cost-type budgets, annual accrued expenditure budgeting, etc.

The "Daily Digest" states that the Rules Committee "deferred action on a bill making supplemental appropriations for fiscal 1957. Representative Patman request rule waiving points of order, Representative Taber opposed granting of rule until authorizing legislation is enacted." p. D751

2. POSTAL RATES. Passed, 217 to 165, with amendments H. R. 11380, to increase certain postal rates (p. 10808). Rejected a Poage amendment to modify the increases in rates for publications devoted to agriculture (p. 10847).

3. CONSERVATION. The Agriculture Committee ordered reported H. R. 11833, to authorize a Great Plains conservation program. p. D750

4. FOREIGN AID. The "Daily Digest" states: "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 11356, mutual security program for fiscal year 1957. As agreed by the conferees, the bill would authorize a total of \$3.927 billion. The Senate- and House-passed totals were \$4.310 and \$3.567 billion, respectively." p. D751

The Appropriations Committee reported the mutual security appropriation bill for 1957 (H. R. 12130, H. Rept. 2636), and Rep. Taber waived points of order on the bill. p. 10854

The Rules Committee reported a resolution for consideration of the mutual



security appropriation bill. p. 10859

5. **MILITARY PUBLIC WORKS; SURPLUS COMMODITIES.** The conferees agreed to file a report on H. R. 9893, which authorizes certain military public works and includes provision for financing some of these works from surplus agricultural commodities. p. D751
6. **FCA AUDIT.** Received from the Comptroller General the report on the audit of FCA for the fiscal year 1955 (H. Doc. 441); to Government Operations Committee. p. 10858
7. **RECLAMATION.** At the request of Rep. Forrester, S. 1622, to authorize the Interior Department to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak., of the Missouri River Basin project, was recommitted to conference committee. p. 10856.
8. **ELECTRIFICATION.** The Public Works Committee reported without amendment H. R. 11477, to authorize construction of certain works of improvement in the Niagara River for power and other purposes (H. Rept. 2635). p. 10859
9. **LEGISLATIVE PROGRAM.** Majority Leader McCormack announced that D. C. bills will be considered Mon., to be followed by the mutual security appropriation bill and the supplemental appropriation bill, respectively. He stated that a number of miscellaneous bills will then be taken up, including trip leasing, loans for central markets. Regarding adjournment prospects, he said: "I would say so far as the House is concerned, if we put in an hour or two extra at night, we ought to be able to get through with the necessary program in the House within the next 3 weeks." pp. 10851, 10852.

SENATE - July 6

10. **TAXATION; REAL PROPERTY.** The Government Operations Committee reported without amendment S. 4183, to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property (S. Rept. 2424). p. 10787
11. **RECLAMATION.** Sen. Goldwater inserted a list of organizations which have been working against private development of Hells Canyon. p. 10790
12. **STATES' RIGHTS.** Sen. Stennis commended the Judiciary Committee for reporting S. 3143, to strengthen States' rights. p. 10792
13. **ADJOURNED** until Mon., July 9. p. 10804

BILLS INTRODUCED - July 6

14. **PACKERS AND STOCKYARDS.** S. 4177, by Sen. Watkins, to remove the special anti-trust jurisdiction of the Secretary of Agriculture over packers, contained in the Packers and Stockyards Act, and to restore general jurisdiction over packers to the Federal Trade Commission; to Agriculture and Forestry Committee. Remarks of author, p. 10788.
15. **PERSONNEL.** H. R. 12128, by Rep. Pelly, to establish a system for the classification and compensation of scientific and professional positions in the Government; to Post Office and Civil Service Committee. p. 10859
16. **TRANSPORTATION.** H. J. Res. 675, by Rep. Priest, designating the period Oct.

22 to 27, 1956, as National Transportation Week; to Judiciary Committee.

ITEMS IN APPENDIX - July 6

17. ELECTRIFICATION. Rep. Reed, N. Y., inserted an editorial favoring private development of Niagara power. p. A5311
18. FOREIGN AID. Extension of remarks of Rep. Chipfield favoring foreign aid. p. A5312
19. EXPENDITURES. Rep. Forand inserted a Knights of Columbus magazine article favoring economy in Government expenditures. p. A5342  
Iowa,
20. SURPLUS COMMODITIES; FOREIGN AID. Rep. Martin inserted an article by Alice Widener opposing S. Res. 85 and 86, providing for an international food bank. p. A5316
21. RECLAMATION. Rep. Green, Oreg., inserted a letter favoring the high Hells Canyon dam. p. A5345  
She also inserted an AFL-CIO letter favoring the project. p. A5349

HOUSE - July 7

22. COMMODITY CREDIT CORPORATION. Passed with amendment S. 3820, to increase the borrowing authority of CCC. The amendment to S. 3820 consisted of the insertion of the language of H. R. 11132, which had been passed as reported. H. R. 11132 was subsequently laid on the table. pp. 10864, 10895
23. GREAT PLAINS. The Agriculture Committee reported without amendment H. R. 11833, to amend the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938 to provide for a Great Plains conservation program (H. Rept. 2640). p. 10926
24. MILITARY CONSTRUCTION; SURPLUS COMMODITIES. Received the conference report on H. R. 9893, to authorize certain construction at military installations. The bill authorizes the Secretary of Defense to use for family housing construction in foreign countries, foreign currencies not to exceed \$250 million acquired through provisions of the Agricultural Trade Development and Assistance Act or other commodity transactions of CCC (H. Rept. 2641). pp. 10886, 10926
25. FOREIGN AID. Received the conference report on H. R. 11356, the mutual security authorization bill (H. Rept. 2643). The conference report includes the following provisions: Authorizes appropriation of \$3,927,575,000 to carry forward the mutual security program, which is \$360,100,000 more than the original House bill. Authorizes \$293,000,000 for development assistance instead of \$243,000,000 as contained in the House bill; provides for a single economic development fund for all the countries of Asia, the Middle East, and Africa; provides that 80% of development assistance be on a loan basis, except to the extent that funds are used for financing sales of surplus agricultural commodities under sec. 402 or for regional projects. Increases the House authorization of \$1,400,000 for ocean freight charges on gift packages shipped by voluntary non-profit agencies to \$3,000,000, and eliminates the \$14,000,000 authorization for ocean freight charges on surplus agricultural commodities distributed by voluntary agencies "because provision has been made for paying such expenses out of Commodity Credit Corporation funds, under an amendment to the Agricultural Trade Development and Assistance Act of 1954, which was enacted after the mutual security bill passed the House"; increases the ceiling on U. S. annual contributions to the Food and Agriculture Organization.



from \$2,000,000 to \$3,000,000 but includes a provision that the percentage contribution shall not exceed 31.5% of the FAO budget; retains the same authorization for appropriations for the three technical assistance programs as contained in the House bill; and authorizes the use of Public Law 480 currencies for an expanded educational exchange program, and authorizes the use of the equivalent of \$5,000,000 in foreign currencies under Public Law 480 funds for the financing of the translation, publication, and distribution of books and periodicals abroad. pp. 10918, 10926

26. EDUCATION; SCHOOL CONSTRUCTION. Passed with amendments H. R. 11695, to extend until June 30, 1957, the programs of financial assistance in the construction and operation of schools in areas affected by Federal activities under the provisions of Public Laws 815, and 174, 81st Congress. pp. 10864, 10865
27. FISHERIES. Passed with amendment S. 3275, to establish a sound and comprehensive national policy with respect to fisheries and wildlife; to strengthen the fisheries and wildlife segments of the national economy, to create and establish within the Interior Department the office of Assistance Secretary for Fisheries and Wildlife, and a United States Fish and Wildlife Service. The amendment consisted of the insertion of the language of H. R. 11570, which was laid on the table. p. 10906 (The bill includes a provision to continue and broaden the authority for transfer of Sec. 32 funds from USDA to Interior.)
28. ROADS. Rep. Cramer expressed support of the objectives of the Federal aid highway bill and the favorable impact the program will have on the States. p. 10911
29. FLOOD CONTROL. The Public Works Committee reported without amendment H. R. 12080, to authorize the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and other purposes (H. Rept. 2639). pp. 10865, 10926  
Received from the Budget Bureau a plan for works of improvement which has been prepared pursuant to sec. 5 of the Watershed Protection and Flood Prevention Act; to the Agriculture Committee. p. 10926

SENATE - July 7

30. FOREIGN AID. The Committee on Rules and Administration ordered reported with amendment S. Res. 285, arranging for studies to be made regarding foreign assistance by the U. S. p. D755
31. EMPLOYEE SECURITY.. The Committee on Rules and Administration ordered reported S. Res. 294, extending the time for study of the Government employees' security program. p. D755

ITEMS IN THE APPENDIX - July 7

32. LIVESTOCK. Rep. Adair inserted Assistant Secretary Butz' speech before the S. Dak. Stock Growers Assoc., on June 7, on the problems of the livestock industry, and efforts being made to maintain a stable livestock economy. p. A5359
33. ELECTRIFICATION. Rep. Green, Ore., inserted three items favoring the construction of the Hells Canyon dam. p. A5363
34. FOREIGN AID. Rep. Quigley inserted a newspaper article analyzing the Senate vote, by parties, on the mutual aid bill. p. A5365

35. SCHOOL MILK. Extension of remarks of Rep. Johnson, Wis., in favor of legislation to broaden the school milk program to include additional groups, such as the Boy Scouts, Girl Scouts, and 4-H Clubs, which are now excluded from the program. p. A5367
36. NATIONAL FORESTS. Rep. Johnson, Wis., inserted a statement of the conservation director of the National Wildlife Federation in support of legislation to provide for the development of the recreational and wildlife resources of our national forests. p. A5369
37. POSTAL SERVICE. Speech in the House by Rep. Gray opposing postal rate increases, and criticizing the Post Office Department for providing inadequate service for certain rural areas. p. A5371

BILLS INTRODUCED - July 7

38. SOIL BANK. H. R. 12139, by Rep. Harrison, to amend the Soil Bank Act so as to permit payment in kind as soon as the producer has qualified therefor; to Agriculture Committee.
39. PERSONNEL. H. R. 12140, by Rep. Thompson, a bill to encourage the extension and improvement of voluntary health prepayment plans or policies; to Interstate and Foreign Commerce Committee.

PRINTED HEARINGS RECEIVED IN THIS OFFICE

40. NOMINATIONS. Nominations of Glen A. Boger, FCA, and David A. Hamil, REA. Senate Agriculture and Forestry Committee.
41. BANKING AND CURRENCY. Conflicting official views on monetary policy: April 1956. Joint Committee on the Economic Report.
42. BUDGETING; ACCOUNTING. S. 3897, to improve governmental budgeting and accounting methods and procedures. Part II. Senate Government Operations Committee.

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COMMITTEE HEARING ANNOUNCEMENTS:

July 9: Conservation of land and water resources, S. Interior.  
Federal employees training bill, S. Post Office and Civil Service.  
Congressional approval for withdrawal of public land, H. Interior.

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## MUTUAL SECURITY ACT OF 1956

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JULY 7, 1956.—Ordered to be printed

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Mr. RICHARDS, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany H. R. 11356]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Mutual Security Act of 1956"*.

SEC. 2. *The Mutual Security Act of 1954, as amended, is further amended by redesignating section 549, a statement of Congressional policy, as section 2, by inserting it immediately after the first section of the Act and before title I, and by amending it to read as follows:*

"SEC. 2. STATEMENT OF POLICY.—(a) *The Congress of the United States, recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.*

“(b) It is the sense of the Congress that inasmuch as—

“(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of Western Europe;

“(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

“(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world,

those nations that have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

“(c) It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence.”

SEC. 3. Title I, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to military assistance, is further amended as follows:

(a) In section 103 (a), which relates to authorizations, add the following new paragraph:

“(3) In addition, there is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$2,225,000,000, which shall remain available until expended.”

(b) In section 105, strike out subsections (c) and (d), and strike out the reference to subsection (d) in section 513.

SEC. 4. Title I, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to defense support, is further amended by substituting a semicolon for the period after “Asia” in subsection (c) of section 131 and inserting thereafter the following:

“and for the fiscal year 1957 not to exceed—

“(1) \$71,200,000 for Europe (excluding Greece and Turkey);

“(2) \$170,000,000 for the Near East (including Greece and Turkey) and Africa;

“(3) \$882,000,000 for Asia; and

“(4) \$52,000,000 for Latin America.

“Funds made available under paragraph (4) may be used to furnish assistance designed to sustain and increase military effort or political or economic stability, and may be used without regard to the requirements of sections 141 and 142 in the case of any nation which is a party to the Inter-American Treaty of Reciprocal Assistance and which has adhered to the resolution of 1954 entitled ‘Declaration of Solidarity for the Preservation of the Political Integrity of the American States against the Intervention of International Communism’. Of the funds made available under paragraph (4), the sum of \$15,000,000 shall remain available until expended, notwithstanding any other provision of this subsection, and in the utilization of such sum preference shall be given to (A) projects or programs that will clearly contribute to promoting health, education, and sanitation in the area as a whole or among a group or groups of countries of the area, (B) joint health, education, and sanitation assistance programs undertaken by members of the Organization of



American States, and (C) such land resettlement programs as will contribute to the resettlement of foreign and native migrants in the area as a whole, or in any country of the area, for the purpose of advancing economic development and agricultural and industrial productivity: Provided, That assistance under this sentence shall emphasize loans rather than grants wherever possible, and not less than 75 per centum of the funds made available for assistance under this sentence shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505."

SEC. 5. Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which contains general provisions relating to mutual defense assistance, is amended by adding at the end thereof the following new section:

"SEC. 143. Notwithstanding any other provision of law, no assistance under this title or any other title of this Act, or under any provision of law repealed by section 542 (a) of this Act, shall be furnished to Yugoslavia after the expiration of ninety days following the date of the enactment of this section, unless the President finds and so reports to the Congress, with his reasons therefor, (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this Act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world and (3) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this Act."

SEC. 6. Title II of the Mutual Security Act of 1954, as amended, which relates to development assistance, is amended by striking out sections 201 and 202 and substituting the following new section:

"SEC. 201. AUTHORIZATION.—(a) In addition to the funds heretofore appropriated pursuant to the provisions of sections 201 and 418 of this Act as in effect prior to the enactment of the Mutual Security Act of 1956, which funds shall remain available for their original purposes in accordance with the provisions of law originally applicable thereto, there is hereby authorized to be appropriated to the President not to exceed \$293,000,000, to remain available until June 30, 1960, for assistance designed to promote the economic development of free Asia, the Middle East, and Africa, based on self-help and mutual cooperation of friendly nations, and to maintain economic and political stability in these areas.

"(b) The President is authorized to utilize the funds hereafter made available for purposes of this title to accomplish in these areas policies and purposes declared in this Act, and to disburse them on such terms and conditions, including transfer of funds, as he may specify: Provided, That eighty per centum of such assistance shall only be available on terms of repayment, except (1) when such funds are used to finance sales of surplus agricultural commodities under section 402, or (2) when granted for the purpose of a regional project involving two or more beneficiary nations: And provided further, That not more than 25 per centum of any funds hereafter made available for purposes of this title shall be used in furnishing bilateral assistance to any one nation.

"(c) Funds made available under this title may be used for expenses (other than those provided for under section 411 (c) of this Act) to assist in carrying out functions under the Agricultural Trade Development and

Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance."

SEC. 7. Title III of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is further amended as follows:

(a) In section 304 (b), which relates to authorization, after "\$146,500,000", insert ", and for the fiscal year 1957 not to exceed \$140,500,000,".

(b) In section 306, which relates to multilateral technical cooperation:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance, strike out all following "1956" and substitute ", and \$15,500,000 for the fiscal year 1957, for such contributions;".

(2) In subsection (b), which relates to contributions to the technical cooperation programs of the Organization of American States, strike out all following "1956" and substitute ", and \$1,500,000 for the fiscal year 1957, for such contributions;".

(c) In section 307; which relates to advances, grants, and contracts, strike out all following "Congress," in the last sentence thereof and substitute "extend at any time for not more than three years;".

SEC. 8. Title IV of the Mutual Security Act of 1954, as amended, which relates to other programs, is further amended as follows:

(a) Amend section 401, which relates to special fund, as follows:

(1) In the first sentence of subsection (a), strike out "\$50,000,000" and substitute "\$150,000,000"; and in the last sentence of such subsection strike out "\$20,000,000" and substitute "\$30,000,000".

(2) In the second sentence of subsection (a), strike out the words "and Austria".

(3) In subsection (b), after "\$100,000,000", insert ", and for the fiscal year 1957 not to exceed \$100,000,000,".

(4) Add to section 401 the following new subsection:

"(c) It is the purpose of this Act to advance the cause of freedom. The Congress joins with the President of the United States in proclaiming the hope that the peoples who have been subjected to the captivity of communist despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter. Funds available under this section may be used for programs of information, relief, exchange of persons, education, and resettlement, to encourage the hopes and aspirations of peoples who have been enslaved by communism."

(b) In section 402, which relates to earmarking of funds, after "\$300,000,000", insert ", and of the funds so authorized for the fiscal year 1957 not less than \$250,000,000,".

(c) In section 403 (b), which relates to special assistance in joint control areas, after "\$21,000,000", insert ", and for the fiscal year 1957 not to exceed \$12,200,000,".

(d) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), after "\$1,400,000", insert ", and for the fiscal year 1957 not to exceed \$2,300,000,".

(2) In subsection (d), after "\$6,000,000", insert ", and for the fiscal year 1957 not to exceed \$7,000,000,".



(e) In section 406 (b), which relates to children's welfare, after "\$14,500,000", insert ", and for the fiscal year 1957 not to exceed \$10,000,000,".

(f) In section 407 (b), which relates to Palestine refugees in the Near East, strike out "for the fiscal year 1956".

(g) Amend section 409, which relates to ocean freight charges, by inserting in subsection (c), after "\$2,000,000" in the last sentence thereof, the phrase ", and for the fiscal year 1957 not to exceed \$3,000,000,".

(h) In section 410, which relates to Control Act expenses, after "\$1,175,000," in the first sentence thereof, insert "and for the fiscal year 1957 not to exceed \$1,175,000,".

(i) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), strike out all that follows "\$35,225,000," and insert "and for the fiscal year 1957 not to exceed \$35,250,000, for necessary administrative expenses incident to carrying out the provisions of this Act (other than chapter 1 of title I and section 124).".

(2) Redesignate subsection "(c)" as subsection "(e)", and insert after subsection (b) the following new subsections:

"(c) Not to exceed \$1,500,000 of funds made available under title II may be transferred in the fiscal year 1957 for necessary administrative expenses not otherwise provided for incident to carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance, and the amounts so transferred shall be consolidated with funds made available pursuant to this section for said fiscal year.

"(d) There are authorized to be appropriated to the Department of State such amounts, not to exceed \$7,000,000 in any fiscal year, as may be necessary from time to time for administrative expenses which are incurred for normal functions of the Department which relate to functions under this Act."

(j) In section 413 (b) (2), after "to encourage and facilitate the flow of private investment to", insert ", and its equitable treatment in,".

(k) Amend section 413 (b) (4) as follows:

(1) After "may make", insert ", through the agency primarily responsible for administering nonmilitary assistance under this Act,".

(2) Substitute "June 30, 1967" for "June 30, 1957".

(3) In subparagraph (B) (ii), before the semicolon at the end thereof, insert "or by reason of war".

(4) Amend subparagraph (F) to read as follows:

"(F) the President is authorized to issue guaranties up to a total face value of \$500,000,000 exclusive of informational media guaranties heretofore and hereafter issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (b) (3)): Provided, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, and funds realized after June 30, 1955, from the sale of currencies or other assets acquired pursuant to subparagraph (C), shall be available for allocation to other guaranties, and the foregoing limitation shall be increased to the extent that such funds become available. Any payments made to

discharge liabilities under guaranties issued under this paragraph shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: *Provided, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: Provided further, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2);*."

(l) Amend section 415, which relates to assistance to international organization, as follows:

(1) Change "ORGANIZATION" in the title to "ORGANIZATIONS".

(2) After "the North Atlantic Treaty Organization", insert "and the Organization for European Economic Cooperation".

(m) Repeal section 418, which relates to President's Fund for Asian Economic Development.

(n) Add the following new section:

"SEC. 421. FOOD AND AGRICULTURE ORGANIZATION.—Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking out the figure '\$2,000,000' in section 2 thereof and inserting in lieu thereof the figure '\$3,000,000', and by inserting before the period at the end of such section a colon and the following: 'Provided, That the percentage contribution of the United States to the total annual budget of the Organization shall not exceed 31.5 per centum'."

SEC. 9. Title V, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to general provisions, is further amended as follows:

(a) In section 501, which relates to transferability of funds, strike out the last three sentences.

(b) In section 502 (b), which relates to use of foreign currencies by committees of Congress, strike out "Joint Committee on the Economic Report" and insert "Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives".



(c) Amend section 507, which relates to availability of funds, to read as follows:

"SEC. 507. AVAILABILITY OF FUNDS.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year."

(d) In section 509, which relates to shipping on United States vessels, after "this Act" in the last sentence thereof, insert "or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following),".

(e) Add the following new section:

"SEC. 515. AUTHORIZATION FOR GRANT OF CONTRACT AUTHORITY.—Provisions in this Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations."

SEC. 10. Title V, chapter 2, of the Mutual Security Act of 1954, as amended, which relates to organization and administration, is further amended as follows:

(a) In section 521, which relates to delegation of authority by the President, after "subsection (b)" in subsection (a), insert "and section 413 (b) (4)".

(b) Amend section 522, which relates to allocation and reimbursement among agencies, as follows:

(1) Add the following at the end of subsection (b): "The Administrator of General Services is authorized to maintain in a separate consolidated account, which shall be free from fiscal year limitations, payments received by the General Services Administration for administrative surcharges in connection with procurement services performed by the General Services Administration in furtherance of the purposes of this Act. Such payments shall be in amounts mutually acceptable to the General Services Administration and the United States Government agency which finances the procurement, and these amounts shall be available for administrative expenses incurred by the General Services Administration in performing such procurement services."

(2) Add the following new subsection:

"(f) Any appropriation made to carry out the provisions of this Act may initially be charged, within the limits of available funds, to finance expenses for which funds are available in other appropriations made under this Act: Provided, That as of the end of the same fiscal year such expenses shall be finally charged to applicable appropriations with proper credit to the appropriations initially utilized for financing purposes."

(c) In section 530, which relates to experts and consultants or organizations thereof, insert before the period at the end of subsection (a) the following: "Provided, That contracts for such employment with such organizations may be renewed annually".

(d) In section 532, which relates to exemption of personnel from certain Federal laws, add the following at the end of subsection (a): "Contracts for the employment of retired military personnel with specialized research and development experience, not to exceed ten in number, as experts or consultants under section 530 (a), may be renewed annually, notwithstanding section 15 of the Act of August 2, 1946 (5 U. S. C. 55a)."

(e) Amend section 535, which relates to cooperation with international organizations, as follows:

(1) Insert "NATIONS AND" after "WITH" in the title.

(2) Amend subsection (b) to read as follows:

"(b) Whenever the President determines it to be in furtherance of the purposes and within the limitations of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, and on request of nations, are authorized to furnish nonmilitary supplies, materials, and services, to such organizations and nations on an advance of funds or reimbursement basis. Such advances, or reimbursements which are received under this subsection within one hundred and eighty days after the close of the fiscal year in which such supplies, materials, and services are delivered, may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used."

(f) Add the following new section:

"SEC. 537. PROVISIONS ON USES OF FUNDS.—

"(a) Appropriations for the purposes of this Act (except for chapter 1 of title I and section 124), allocations to any United States Government agency, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to any agency administering nonmilitary assistance, shall be available for:

"(1) rents in the District of Columbia for the fiscal year 1957;

"(2) expenses of attendance at meetings concerned with the purposes of such appropriations, including (notwithstanding the provisions of section 9 of the Act of March 4, 1909 (31 U. S. C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 530 of this Act;

"(3) employment of aliens, by contract, for services abroad;

"(4) purchase, maintenance, operation, and hire of aircraft: Provided, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

"(5) purchase and hire of passenger motor vehicles: Provided, That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles abroad for administrative purposes may be purchased for replacement only and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including exchange allowance, of each such replacement shall not exceed \$3,300 in the case of an automobile for the chief of any special mission or staff abroad established under section 526 of this Act: Provided further, That passenger motor vehicles may be purchased for use in the continental United States only as may be specifically provided in an appropriation or other Act;

"(6) entertainment within the United States (not to exceed \$15,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

"(7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543), and loss by exchange;

"(8) expenditures (not to exceed \$50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: Provided, That a certificate of the amount of each such expenditure, the nature of



which it is considered inadvisable to specify, shall be made by an officer administering nonmilitary assistance, or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

“(9) insurance of official motor vehicles in foreign countries;

“(10) rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters;

“(11) actual expenses of preparing and transporting to their former homes in the United States or elsewhere, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection (a);

“(12) purchase of uniforms;

“(13) payment of per diem in lieu of subsistence to foreign participants engaged in any program of furnishing technical information and assistance, while such participants are away from their homes in countries other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding any other provision of law;

“(14) expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801 and the following), not otherwise provided for;

“(15) ice and drinking water for use abroad;

“(16) services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the regular corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized;

“(17) expenses in connection with travel of personnel outside the continental United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel) and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during that same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of any employee (i) for not to exceed three months after first arrival at a new post, (ii) when an employee is assigned to a post to which he cannot take, or at which he is unable to use, his furniture and household and personal effects, or (iii) when such storage would avoid the cost of transporting such furniture and effects from one location to another, under such regulations as an officer administering nonmilitary assistance, or such person as he may designate, may prescribe;

“(18) payment of unusual expenses incident to the operation and maintenance of official residences for chiefs of special missions or staffs serving in accordance with section 526 of this Act.

“(b) United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program.

“(c) Not to exceed \$12,000,000 of the funds available in the fiscal year 1957 for assistance in Korea under this Act may be used by the President to construct or otherwise acquire essential living quarters, office space, and supporting facilities in Korea for use by personnel carrying out activities under this Act.”

SEC. 11. Title V, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to repeal and miscellaneous provisions, is further amended as follows:

(a) Amend section 544, which relates to amendments to other laws, by adding the following new subsections:

“(c) In section 4 of the Act of May 26, 1949 (63 Stat. 111, 5 U. S. C. 151c), insert after the words ‘such functions’ the following: ‘, including if he shall so specify the authority successively to redelegate any of such functions,’.

“(d) In the first sentence of section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), after ‘any agency thereof’, insert ‘, including amounts received in repayment of principal or interest on any loan made under section 505 (b) of the Mutual Security Act of 1954, as amended’.

“(e) Section 933 of the Foreign Service Act of 1946, as amended (22 U. S. C. 1148), is hereby amended by inserting after ‘continental United States’ where it appears in both subsection (a) and subsection (b) of that section ‘, its Territories and possessions,’.

“(f) Section 1441 (c) of the Internal Revenue Code of 1954 is hereby amended by inserting after paragraph (5) the following new paragraph:

“(6) PER DIEM OF CERTAIN ALIENS.—No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the United States Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.’

“(g) Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442), is amended by inserting ‘(a)’ before ‘The Director’, by deleting everything after the words ‘national interests of the United States’, by inserting a period at that point, and by inserting the following new subsections:

“(b) The Director is authorized to assume the obligation of not to exceed \$28,000,000 of the notes authorized to be issued pursuant to subsection 111 (c) (2) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (c) (2)), together with the interest accrued and unpaid thereon, and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.



“(c) The Director is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413 (b) (4) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the Director less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).

“(d) Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties. Such currencies shall be available, as may be provided for by the Congress in appropriation Acts, for use for educational, scientific, and cultural purposes which are in the national interest of the United States, and for such other purposes of mutual interest as may be agreed to by the governments of the United States and the country from which the currencies derive.

“(e) Notwithstanding the provisions of subparagraph 413 (b) (4) (E) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and (2) the Director may require the payment of a minimum charge of up to fifty dollars for issuance of guaranty contracts, or amendments thereto.

“(f) The Director is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: Provided, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within nine months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.

“(g) As soon as feasible after the enactment of this subsection, all assets, liabilities, income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that Act, shall be accounted for separately from other guaranties issued pursuant to subsection 413 (b) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b)): Provided, That there shall be transferred from the special account established pursuant to subsection (b), into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and used to make payments under informational media guaranties.’

“(h) Section 104 (h) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), is amended by adding at the end thereof the following: ‘In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection, including a particular effort with regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes.’

“(i) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), as amended, is further amended by adding after paragraph (h) the following new paragraph:

“(i) for financing the translation, publication, and distribution of books and periodicals, including Government publications, abroad: Provided, That not more than \$5,000,000 may be allocated for this purpose during any fiscal year.”

(b) Amend section 545, which relates to definitions, as follows:

(1) Add at the end of subsection (h) the following: “Notwithstanding the foregoing provisions of this subsection (h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the Mutual Defense Assistance Program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability, that the term ‘value’ (except in the case of excess equipment or materials) shall mean—

“(1) the price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or

“(2) where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value.”

(2) Add the following new subsections:

“(j) The term ‘agency administering nonmilitary assistance’ shall refer to any agency to which authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

“(k) The term ‘officer administering nonmilitary assistance’ shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.”

(c) In section 548, which relates to unexpended balances, strike out “heretofore”, substitute “1957” for “1956”, and strike out the colon and the remainder of the sentence following “Act” the second time it appears and insert a period.

(d) Add the following new section:

“SEC. 549. SPECIAL PROVISION ON AVAILABILITY OF FUNDS.—An amount equal to 25 per centum of the funds authorized to be appropriated for any fiscal year for purposes of chapter 3 of title I, title III, or section 403 of this Act is authorized to be continued available for three months beyond the end of the fiscal year for which appropriated.”

#### FOREIGN RESEARCH REACTOR PROJECTS

SEC. 12. (a) As one means of furthering peaceful uses of atomic energy on an international basis, there is hereby authorized to be appropriated to the President for the fiscal year 1957 not to exceed \$5,950,000 for use by the President, on such terms and conditions as he may specify, for research reactor projects undertaken or authorized by foreign governments which shall have entered into agreements for cooperation with the Government of the United States concerning the peaceful uses of atomic energy.

(b) Nothing in this section shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1954.



(c) *The United States share of the cost of any reactor made available to another government or to other governments under this section shall not exceed \$350,000.*

(d) *In carrying out the purposes of this section, the appropriate United States departments and agencies shall give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the United States. Such portions of the equipment furnished under this section as may be appropriately die-stamped as a product of the United States shall be so stamped.*

SEC. 13. *It is the sense of Congress that not to exceed \$11,000,000 of the funds made available pursuant to the Mutual Security Act of 1954, as amended, for the fiscal year 1957 be transferred, in the discretion of the President, to the Department of State to carry out international educational exchange activities. Such amount is authorized to be transferred to and consolidated with funds made available to the Department of State for the fiscal year 1957 for the activities authorized by the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1431-1479), and by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)). The amount transferred pursuant to this section shall be in addition to funds otherwise appropriated for such activities, and not to exceed \$500,000 of the amount so transferred may be used for administrative expenses.*

SEC. 14. *It is the sense of Congress that in the preparation of the mutual security program, the President should take fully into account the desirability of affirmatively promoting the economic development of underdeveloped countries, both as a means of effectively counteracting the increased political and economic emphasis of Soviet foreign policy and as a means of promoting fundamental American foreign policy objectives of political and economic self-determination and independence.*

*And the Senate agree to the same.*

JAS. P. RICHARDS,  
THOMAS S. GORDON,  
THOMAS E. MORGAN,  
JOHN M. VORYS,  
WALTER H. JUDD,  
*Managers on the Part of the House.*

WALTER F. GEORGE,  
THEODORE FRANCIS GREEN,  
J. W. FULBRIGHT,  
JOHN SPARKMAN,  
H. ALEXANDER SMITH,  
B. B. HICKENLOOPER,  
WILLIAM F. KNOWLAND,  
*Managers on the Part of the Senate.*

#### STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the differences are noted below:

The committee of conference agreed on a total authorization of \$3,927,575,000. This is an increase of \$360,100,000 over the House bill and a reduction of \$382,500,000 from the Senate amendment.

The following table shows the comparable figures for the various categories in the bill and the executive, House, Senate, and conference agreement amounts.



## Mutual security authorizations

	Administration request (1)	House (2)	Senate (3)	Conference agreement (4)	Differences between House bill and conference agreement (5)
TITLE I					
Military assistance.....	\$2,925,000,000	\$1,925,000,000	\$2,525,000,000	\$2,225,000,000	+\$300,000,000
Defense support:					
Europe.....	78,700,000	63,700,000	78,700,000	71,200,000	+7,500,000
Near East and Africa.....	170,000,000	170,000,000	170,000,000	170,000,000	-----
Asia.....	882,000,000	882,000,000	882,000,000	882,000,000	-----
Latin America.....	-----	37,000,000	37,000,000	52,000,000	+15,000,000
Subtotal.....	1,130,700,000	1,152,700,000	1,167,700,000	1,175,200,000	+22,500,000
Total, title I.....	4,055,700,000	3,077,700,000	3,692,700,000	3,400,200,000	+322,500,000
TITLE II					
Development assistance:					
Near East and Africa.....	63,000,000	-----	63,000,000	-----	-----
Asia.....	80,000,000	243,000,000	80,000,000	293,000,000	+50,000,000
Latin America.....	27,000,000	-----	-----	-----	-----
Total, title II.....	170,000,000	243,000,000	143,000,000	293,000,000	+50,000,000
TITLE III					
Technical cooperation:					
Bilateral.....	140,500,000	140,500,000	140,500,000	140,500,000	-----
Multilateral:					
United Nations.....	15,500,000	15,500,000	15,500,000	15,500,000	-----
Organization of American States.....	1,500,000	1,500,000	1,500,000	1,500,000	-----
Total, title III.....	157,500,000	157,500,000	157,500,000	157,500,000	-----
TITLE IV					
Other programs:					
Special fund.....	100,000,000	100,000,000	100,000,000	100,000,000	-----
Encouragement of enslaved peoples.....	-----	-----	5,000,000	-----	-----
Joint control areas.....	12,200,000	12,200,000	12,200,000	12,200,000	-----
U. N. refugee fund.....	2,300,000	2,300,000	2,300,000	2,300,000	-----
Escapes.....	7,000,000	7,000,000	7,000,000	7,000,000	-----
U. N. Children's Fund.....	10,000,000	10,000,000	10,000,000	10,000,000	-----

## Mutual security authorizations—Continued

	Administration request (1)	House (2)	Senate (3)	Conference agreement (4)	Differences between House bill and conference agreement (5)
<b>TITLE IV—Continued</b>					
<b>Other programs—Continued</b>					
Ocean freight:					
Voluntary agencies	1,400,000	1,400,000	3,000,000	3,000,000	+1,600,000
Surplus agricultural commodities	14,000,000	14,000,000			-14,000,000
Control Act expenses	1,175,000	1,175,000	1,175,000	1,175,000	
Administrative expenses	35,250,000	35,250,000	35,250,000	35,250,000	
Special authorization, Middle East and Africa	100,000,000		100,000,000		
Latin American economic development fund			35,000,000		
Foreign reactor projects	5,950,000	5,950,000	5,950,000	5,950,000	
Total, title IV	289,275,000	189,275,000	316,875,000	176,875,000	-12,400,000
Total	4,672,475,000	3,667,475,000	4,310,075,000	4,027,875,000	+360,100,000
Deduct: Repeat of unappropriated authorization, President's fund for Asian economic development		-100,000,000		-100,000,000	
Net total	4,672,475,000	3,567,475,000	4,310,075,000	3,927,875,000	+360,100,000

NOTE.—The House bill also authorizes an increase from \$2,000,000 to \$3,000,000 in the ceiling on annual United States contributions to the Food and Agriculture Organization. The Senate bill likewise authorizes the increase, with a proviso that United States contributions cannot exceed 31.5 percent of total contributions.

The House bill authorizes appropriations "of such sums as may be necessary" for State Department administrative expenses in connection with the act. The Senate bill authorizes not to exceed \$7,000,000 a year for this purpose.



## STATEMENT OF POLICY (SEC. 2)

The Senate amendment modified the statement of policy contained in the House bill in four respects. The House bill declared it to be the policy of the United States to provide assistance to other nations as long as the Soviet threat to the peace of the world and the security of the United States persists "of such nature and in such amounts as the United States is able to provide." The Senate amendment substituted for the words "is able" the words "deems advisable". The House accepted the words "deems advisable" as being a more satisfactory guide to United States policy.

The Senate amendment provided for combining the statements of congressional policy already set forth in section 549 of the Mutual Security Act with the statement of policy contained in the present bill. The House accepted this change in the arrangement of the bill.

The Senate amendment included a statement declaring it to be the policy of the United States to expand its own airpower through the construction of planes, guided missiles and other advanced weapons so as to be prepared at all times to resist any attack by the Communist powers. In addition, the Senate amendment contained a statement that the United States would furnish assistance to newly independent states in Africa in the same manner as in the case of other independent states. The Senate receded from its language pertaining to Africa not because Africa is unimportant but because authority and policy statements pertaining to newly independent states are included in previous legislation.

## AUTHORIZATION FOR MILITARY ASSISTANCE (SEC. 3)

The House bill authorized \$1,925 million for military assistance and included the limitation that no less than \$48 million of this amount should be used to provide assistance to Spain and that not more than \$402 million might be used to provide assistance to other European countries. The Senate bill authorized a total of \$2,525 million for military assistance. \$1,600 million of this amount was to be used only to purchase equipment and materials for the Armed Forces of the United States in replacement for equipment and materials of a corresponding value which the Secretary of Defense was authorized to furnish from Department of Defense stocks for the mutual security program.

The committee of conference agreed to a total authorization of \$2,225 million for military assistance, an increase of \$300 million above the figure approved by the House, and a decrease of \$300 million of the figure approved by the Senate. The restriction on the use of \$1,600 million contained in the Senate bill for the purchase of equipment for the Armed Forces of the United States was eliminated, as were the limitations imposed by the House on the funds for Spain and for other European countries. It was specifically agreed by the conferees that Spain should receive, and would be expected to receive, the full amount of military assistance which had been programed by the executive branch and included in its request for the authorization of military funds.

Although the managers on the part of the House opposed the provision of the Senate bill restricting the use of a portion of the military funds to procurement from the Department of Defense, they recognized

the identity of purpose between our own Department of Defense budget and the funds authorized for the mutual security program. They wish to reiterate the recommendation in the committee report that—

\* \* \* while legislative policy authorization should continue to be coordinated and reviewed as at present, the executive branch carefully consider placing the military portion of the mutual security program in the Department of Defense budget next year.

#### DEFENSE SUPPORT FOR EUROPE (SEC. 4 (1))

The House bill contained an authorization for \$63,700,000 for defense support for Europe. The Senate amendment provided \$78,700,000 for this purpose. The figure in the House bill represented a reduction of \$15 million from the executive branch request. The report of the House committee stated that "the purpose of this reduction was to reduce the assistance which had been requested for Yugoslavia by 50 percent." The Senate figure represented an authorization of the full amount of the executive request for defense support for Europe, including Yugoslavia. The committee of conference agreed to an authorization of \$71,200,000, an increase of \$7,500,000 above the figure in the House bill, and a decrease of \$7,500,000 below the Senate authorization.

#### DEFENSE SUPPORT FOR LATIN AMERICA (SEC. 4 (4))

Both the House bill, and the Senate amendment contained an authorization of \$37 million for defense support to Latin America for fiscal year 1957. The House bill specified that such funds might be used to furnish assistance designed to sustain and increase "military or internal defense efforts," while the Senate amendment provided that such assistance could be used to sustain and increase "military effort or political or economic stability."

The conference agreement incorporates the language of the Senate amendment, which more clearly expresses the intent of the House.

The Senate amendment, in addition, contained a provision (sec. 8 (1)) authorizing the establishment of an "economic development fund for Latin American countries" and an appropriation of \$35 million to remain available until expended, for this purpose. The Senate amendment required that such assistance shall emphasize loans rather than grants wherever possible, and not less than 75 percent of the funds appropriated shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505, and that not more than 25 percent of the funds may be allocated for assistance to any one country. The Senate amendment further specified that in utilizing the fund the President should give preference to: (1) projects or programs that will clearly contribute to promoting health, education, and sanitation in the area as a whole or among a group or groups of countries of the area, and (2) joint health, education, and sanitation assistance programs undertaken by members of the Organization of American States. The House bill contained no such provision.



The conference agreement includes a modification of the Senate amendment with respect to the economic development fund. The amount of the fund is reduced to \$15 million and is added to the defense support figure, making a total of \$52 million for defense support for Latin America. The committee of conference points out that the additional sum of \$15 million is to be used as a fund for basic economic development purposes in Latin America as specified in the conference agreement. The requirement contained in the Senate amendment that not more than 25 percent of the \$15 million fund may be allocated for assistance to any one country is omitted. The conference agreement also adds to the list of preferential projects and programs under this fund a third category—

such land resettlement programs as will contribute to the resettlement of foreign and native migrants in the area as a whole, or in any country of the area, for the purpose of advancing economic development and agricultural and industrial productivity.

While preference is to be given to regional projects in the utilization of the \$15 million authorized, this is not intended to exclude its use for bilateral projects.

#### PROHIBITION OF ASSISTANCE TO YUGOSLAVIA (SEC. 5)

Both the House bill and the Senate amendment contained a provision prohibiting assistance to be furnished to Yugoslavia unless the President makes certain findings with respect to Yugoslavian policies and the national security of the United States. The Senate amendment specified that the prohibition shall be effective after the expiration of 90 days following the enactment of the bill, added a third finding "that Yugoslavia does not adhere to any policy for the Communist conquest of the world" and required the President to report the findings to the Congress with his reasons therefor.

The conference agreement retains the Senate language, except that the third finding is modified by requiring the President to find "that Yugoslavia is not participating in any policy or program for the Communist conquest of the world." This modified language more nearly conforms to the intent inherent in both the House bill and the Senate amendment.

#### DEVELOPMENT ASSISTANCE AND REGIONAL FUND AUTHORIZATIONS (SEC. 6)

The House bill authorized a total of \$243 million for development assistance for Asia, the Middle East, and Africa, and repealed an authorization of \$100 million for Asian economic development which had been previously made but for which no funds had been appropriated. The language of the House bill provided for a single fund for development assistance instead of regional funds in particular areas. The funds authorized were made available until June 30, 1960. The House bill required that development assistance be provided on a loan basis, except when funds are used for financing sales of surplus agricultural commodities under section 402 or for regional projects

involving two or more nations. The House bill also required that not more than 25 percent of the funds authorized could be allocated to any country and that development assistance could only be given to a nation which had entered into a written agreement to permit participation by private enterprise in the accomplishment of the purposes of the Mutual Security Act. Unobligated funds from prior authorizations for development assistance and the fund for Asian economic development were continued available for their original purposes in accordance with the provisions of law originally applicable.

The Senate bill authorized \$143 million for development assistance, of which \$63 million was made available for the Near East and Africa and \$80 million for Asia. In addition, the Senate bill provided a special fund of \$100 million for the Middle East and Africa and did not include a repeal of the authorization for Asian economic development. These authorizations made available a total of \$343 million for purposes corresponding to those for which \$243 million was authorized by the House. The Senate amendment required that 75 percent of all development assistance should be on a loan basis and 25 percent on a grant basis, except when funds are used for financing sales of surplus agricultural commodities under section 402 or for regional projects. No limitation as to the amount of assistance to be provided to any country was included.

The committee of conference accepted the concept of a single economic development fund for all the countries of Asia, the Middle East, and Africa, as provided in the House bill, and authorized \$293 million for this purpose—a figure \$50 million above that contained in the House bill and \$50 million less than the Senate figure. The committee of conference agreed to require that 80 percent of development assistance be on a loan basis, except to the extent that funds are used for financing sales of surplus agricultural commodities under section 402 or for regional projects. Thus, 20 percent of the funds appropriated under this section or transferred to it may be used for bilateral dollar grant assistance, but additional grant assistance may be available solely for regional projects. The committee of conference further agreed to accept the limitation of 25 percent to any country contained in the House bill, with language to make clear that the 25 percent limitation applied only to bilateral assistance received by a country and did not include its share under any regional project in which it participated. The requirement of an agreement as to participation by private enterprise was omitted in the belief that the policy directives contained in section 413 as to the encouragement of free enterprise and private participation in administering the mutual security program were clear and should be vigorously observed and implemented by the executive branch.

#### STUDY OF TECHNICAL COOPERATION PROGRAM

The House bill contained a provision for a study to be made under the direction of the President on the technical cooperation program. The Senate amendment contained no such provision. The planned studies of the mutual security program by both the executive and legislative branches will include a study of technical assistance. It is expected that those making the studies will consider, among



other proposals, the desirability of administering technical cooperation either by a new independent agency or Government corporation (sec. 6 (d) of the House bill).

The conference agreement omits the House provision.

#### REFERENCE TO AUSTRIA (SEC. 8 (a) (2))

The House accepted the Senate amendment deleting Austria from the nations listed in section 401 with reference to assistance to escapees. Since the Soviet occupation of Austria has ended, the reference to Communist-occupied areas of Austria is no longer accurate.

#### ADVANCING THE CAUSE OF FREEDOM (SEC. 8 (a) (4))

The Senate amendment contained two provisions authorizing funds for the relief and encouragement of persons who have been enslaved by communism. The House bill contained no such provision. The committee of conference agreed that the policy of the United States with respect to such peoples should be reiterated, particularly in view of the recent uprisings in Poland, but that the funds available to the President under the Kersten amendment and otherwise were entirely adequate for any expenditures that might be desirable in the next year.

The committee of conference agreed, therefore, to make explicit the authority for which section 401 funds may be used to include programs of information, relief, exchange of persons, education, and resettlement to encourage the hopes and aspirations of people who have been enslaved by communism.

In the policy statement the following sentence, originally proposed to Congress by the President in 1953, was included:

The Congress joins with the President of the United States in proclaiming the hope that the peoples who have been subjected to the captivity of Communist despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter.

#### OCEAN FREIGHT CHARGES (SEC. 8 (g))

The House bill contained two authorizations for the payment of ocean freight charges. The first was \$1,400,000 for freight on gift packages shipped by voluntary nonprofit agencies; the second was \$14 million for ocean freight on surplus agricultural commodities distributed by such voluntary agencies.

The Senate amendment increased the first authorization from \$1,400,000 to \$3 million and eliminated the second authorization of \$14 million.

The managers on the part of the House accepted both Senate provisions. The \$14 million for freight on surplus agricultural commodities is no longer necessary because provision has been made for paying such expenses out of Commodity Credit Corporation funds, under an

amendment to the Agricultural Trade Development and Assistance Act of 1954, which was enacted after the mutual security bill passed the House. The House conferees accepted the Senate figure for freight on gift packages because of their belief that the volume of shipments anticipated by the voluntary agencies would require the use of the larger amount.

#### ADMINISTRATIVE EXPENSES OF DEPARTMENT OF STATE (SEC. 8 (i) (2))

The House bill authorized an annual appropriation to the Department of State of an unspecified amount for administrative expenses incurred by the Department in carrying out functions under the Mutual Security Act. The Senate amendment limited the annual appropriation to an amount not to exceed \$7 million. The State Department's expenses have heretofore been met from ICA's administrative funds. The adoption of the Senate language will make possible a clearer identification of this portion of administrative expenses. To the extent that future appropriations for this purpose are in the State Department's budget, the administrative budget of ICA will be reduced by a corresponding amount.

#### THE INVESTMENT GUARANTY PROGRAM (SEC. 8 (k))

*Broadening the coverage of investment guaranties (sec. 8 (k) (3)).*—The House bill contained a provision broadening the investment guaranty program to cover the risks of "war, revolution, or insurrection." The Senate amendment contained no such language.

The conference agreement retains the language of the House bill broadening the coverage to include the risk of war, but omits the inclusion of the coverage of the risks of revolution or insurrection.

*Retention of investment guaranty program in the International Cooperation Administration (sec. 8 (k) (1)).*—The House bill contained a provision making clear by express statutory provision that the investment guaranty program shall be retained by the ICA. The Senate amendment contained no such provision.

The conference agreement substitutes for the "International Cooperation Administration" the phrase "the agency primarily responsible for administering nonmilitary assistance under this Act". This function is the responsibility of the ICA. The committee of conference was agreed that the investment guaranty program is an important part of the private enterprise provisions of the Mutual Security Act and should be retained by the agency which handles the nonmilitary assistance aspect of the Mutual Security Act rather than transferred to a banking institution, the Export-Import Bank, which testimony before the House Committee indicated was being contemplated by the Executive Branch. The substitution conforms to the purpose of the House provision but refers to the function of ICA rather than mentioning ICA specifically, in keeping with the drafting technique contained in other provisions of the Mutual Security Act.

#### FOOD AND AGRICULTURE ORGANIZATION (FAO) (SEC. 8 (n))

Both the House bill and the Senate amendment authorized an increase in the ceiling in United States contributions to FAO from \$2 million a year to \$3 million, except that the Senate amendment



contained a proviso that the percentage contribution of the United States to the total annual budget of FAO shall not exceed 31.5 percent.

The conference agreement retains the language of the House bill with the addition of the proviso contained in the Senate amendment.

The committee of conference was of the view that the figure of 31.5 percent should be included in the conference agreement to emphasize the desire of the Congress that, with the increased membership of most United Nations specialized agencies and with improved economic conditions of most members, the percentage of United States contributions to international organizations be reduced rather than increased.

#### TRANSFER OF FUNDS TO DEVELOPMENT ASSISTANCE (SEC. 9 (a))

The House bill included a provision that any funds transferred from other authorizations to the development assistance program should be available only within the same limits as to loans, surplus agricultural commodities, and regional grants as were contained in section 5 of the House bill (sec. 6 of the conference agreement). The Senate amendment did not include such a provision. The committee of conference omitted this provision because the revisions in the provisions of the bill dealing with development assistance made it no longer necessary.

#### USE OF FOREIGN CURRENCY BY CONGRESSIONAL COMMITTEES (SEC. 9 (b))

The House accepted the Senate language with an amendment. The amended language extends the use of foreign currencies by congressional committees to include the Select Committees on Small Business of the House and of the Senate and changes the present reference to the "Joint Committee on the Economic Report" to "Joint Economic Committee".

#### AVAILABILITY OF FUNDS (SEC. 9 (c))

Both the House bill and the Senate amendment contained provisions to make clear that the requirement of annual authorization and appropriation did not apply in cases where provisions of the act specifically authorized a different period of availability. The two bills were identical in substantive effect. The only difference was in drafting technique. The committee of conference accepted the language of the Senate amendment as being technically superior to that of the House bill.

#### AUTHORIZATION FOR GRANT OF CONTRACT AUTHORITY (SEC. 9 (e))

The Senate amendment included language to the effect that any provision of the act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations. The House bill contained no such provision. The managers on the part of the House accepted this provision of the Senate amendment as being entirely consistent with existing law and legislative practice.

## EXEMPTION OF PERSONNEL FROM CERTAIN FEDERAL LAWS (SEC. 10 (d))

The House bill permitted the employment of retired military personnel as experts or consultants for more than one year. The Senate amendments limit the employment of such individuals to not more than ten in number at any one time. Further, such individuals must have specialized experience in research and development.

COOPERATION WITH NATIONS AND INTERNATIONAL ORGANIZATIONS  
(SEC. 10 (e) (2))

Both the House bill and the Senate amendment contained authorization for furnishing supplies, materials, and services to foreign nations and international organizations on an advance of funds or reimbursable basis. The Senate amendment included the restriction that such assistance must be furnished "within the limitations of this Act." The House bill did not include this restriction.

The managers on the part of the House accepted this restriction because the language of the section was broad, and it was in their judgment desirable to make clear that this authority is subject to all of the limitations contained in the act.

## POINT OF ORDER PROVISIONS (SEC. 10 (f))

Both the House bill and the Senate amendment provided a statutory basis for certain routine-type expenditures, most of which have been authorized in the past on a year-to-year basis in appropriation acts. This was included in order to prevent a possible basis for a point of order against mutual security appropriation bills and in order to eliminate the need for reenacting these provisions each year in appropriation bills. While worded differently, the House bill and the Senate amendment were essentially the same in substance, except that the House bill did not cover limited authorization for purchase of aircraft and payment of per diem to dependents of personnel during necessary stopovers while engaged in international travel.

The conference agreement incorporates the language of the Senate amendment, which is the form in which the provisions were originally submitted by the executive branch.

## KOREAN HOUSING (SEC. 10 (f))

The Senate amendment contained an authorization to use \$12 million of the funds authorized under other provisions of the bill to construct or otherwise acquire living quarters, office space, and supporting facilities in Korea for use by personnel carrying out activities under this act. The request for this authorization was not submitted to the House during its consideration of the mutual-security program by the executive branch because the program for this construction was not developed in time.

The managers on the part of the House are convinced that living quarters and office space are urgently needed by United States personnel stationed in Korea. The severe war damage in that country has resulted in a persistent housing shortage. As a consequence, it has been impossible, except in a very few instances, for the families of American military and civilian personnel stationed in Korea to be located there. These families are often housed in Japan, to the



detriment of the morale of the personnel involved. Members of the Foreign Affairs Committee visiting Korea report that the quarters occupied by American civilian and military personnel fall far short of the minimum standards which such persons have a right to expect. In order to make clear that the funds authorized should be used only to meet the necessary standards for health and comfort, the committee of conference amended the Senate provision by limiting the use of funds to provide only "essential" living quarters, office space, and supporting facilities.

USE OF PUBLIC LAW 480 FOREIGN CURRENCIES FOR EDUCATIONAL EXCHANGE (SEC. 11 (a))

The Senate amendment contained a provision amending section 104 (h) of Public Law 480 to require that not less than 5 percent of the aggregate of the foreign currencies accruing from sales of surplus agricultural commodities under that act and from loan repayments under section 104 (g) shall be used for the financing of international educational exchange activities (sec. 104 (h)). It also required that a special effort be made to use such foreign currencies for the international educational exchange program in countries where other funds were not available for such purposes and countries where a fund can be established with interest and principal which will be available over a period of years for such purposes. The House bill did not contain such provisions.

The committee of conference agreed to delete the requirement that 5 percent of the foreign currency be set aside because it believed that such a mandatory requirement might make sales of surplus agricultural commodities more difficult. The committee of conference accepted the other Senate provisions with an amendment requiring the executive branch to increase its effort to use Public Law 480 foreign currencies in the international student exchange program. The committee of conference is convinced that it is possible to make a substantial contribution to United States foreign policy by increasing the use of foreign currencies in the international educational exchange programs in a number of countries, and it expects those responsible for the administration of Public Law 480 funds to carry out the policy set forth in this section.

USE OF PUBLIC LAW 480 FOREIGN CURRENCIES FOR A PROGRAM OF TRANSLATING BOOKS AND PERIODICALS (SEC. 11 (a))

The Senate amendment included an amendment to section 104 of Public Law 480 authorizing the use of \$5 million equivalent of foreign currencies generated under that act for the financing of the translation, publication, and distribution of books and periodicals abroad. The House bill did not contain such a provision. The managers on the part of the House accepted this provision of the Senate amendment. It is important that the United States expand its translation, publication and distribution of books and periodicals in foreign nations in order to counteract the large-scale flow of Communist literature in such countries. The authorization does not set aside \$5 million of foreign currencies for this specific purpose but merely permits the use up to the \$5 million limit of such currencies if the funds are available and if those administering the program can use them effectively.

USE OF FOREIGN CURRENCIES UNDER THE INFORMATIONAL MEDIA  
GUARANTY PROGRAM (SEC. 11 (a))

Both the House bill and the Senate amendment contained a provision authorizing the sale of foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties for dollars to be deposited in a special account and to be available for payments under new informational media guaranties. The Senate amendment, in addition, contained a provision permitting the use, as may be provided in future appropriation acts, of the local currencies generated by the informational media guaranty program for educational, scientific, and cultural purposes and other purposes which are in the interest of the United States.

The conference agreement retains the additional language of the Senate amendment. The need for this additional language was stated, in part, in a communication from the Honorable Robert C. Hill, Assistant Secretary of State for Congressional Relations, to the chairmen of the Foreign Relations and Foreign Affairs Committees, as follows:

The informational media guaranty (IMG) program operates only in countries which have given their formal consent to it. A number of these countries have accepted the program only upon condition that the local currencies accruing to the credit of the United States under the program will be used for special and limited purposes which will avoid loss of dollar exchange. Generally such restrictions permit the use of the local currencies for "educational, scientific, or cultural" purposes or for other purposes that may be specially agreed to by the two governments. The United States Government has found it expedient to accept such conditions in countries where, for reasons of policy, it has seemed especially desirable to introduce informational materials from the United States.

As a consequence, however, the United States Government has accumulated certain foreign currencies under the IMG program which cannot be fully utilized under existing law. \* \* \* The funds accruing in the IMG accounts in certain countries cannot be spent for general United States expenses because of restrictions contained in the bilateral agreements with those countries, and cannot be fully utilized for purposes acceptable to the other countries without broader legislative authority than presently exists.

UNITED STATES SHARE OF FOREIGN RESEARCH REACTOR PROJECTS  
(SEC. 12 (c))

The House bill and the Senate amendment contained a provision limiting the United States share of the cost of any one foreign research reactor project to \$350,000. The Senate amendment included the words "under this section". The House accepted this amended language. The inclusion of the words "under this section" makes explicit that the limitation of \$350,000 applies only to reactors furnished under section 12 and not to reactors which might be furnished



under other authorizations in this or other act, such as the Asian Nuclear Center which will be carried out under funds made available from the Asian fund.

#### PUBLICIZING OF FOREIGN RESEARCH REACTOR PROJECTS (SEC. 12 (d))

The House bill and the Senate amendment contained a provision requiring that full publicity be given to United States assistance in the foreign research reactor projects program. Responsibility for publicity under the House bill and the Senate amendment was entrusted to the Director of the International Cooperation Administration, the Atomic Energy Commission, and "other United States departments and agencies". The committee of conference accepted a further Senate amendment which entrusts publicity to "the appropriate United States departments and agencies". Reorganization Plan No. 8 charges USIA with the primary responsibility for publicizing United States aid activities abroad. The new language is sufficiently broad to permit any agency deemed appropriate to publicize the assistance under this section.

#### AUTHORIZATION OF TRANSFER OF FUNDS FOR INTERNATIONAL EDUCATIONAL EXCHANGE (SEC. 13)

The Senate amendment contained a statement of the sense of Congress that \$11 million of the funds made available pursuant to the Mutual Security Act for fiscal 1957 be transferred at the discretion of the President to the Department of State to carry out international educational exchange activities. The House bill did not contain such a provision.

The managers on the part of the House accepted the Senate provision with an amendment stating that "not to exceed" such an amount is authorized to be transferred in order to make clear that the President has discretion as to the amount to be so used within the \$11-million limit. The provision gives the President complete discretion. He may use mutual security funds for international educational exchange purposes when, in his judgment, such use deserves a higher priority than the uses for which the funds were originally authorized. In the judgment of the committee of conference, it is important, in view of the uncertainty of the present world situation, to provide this additional element of flexibility and the conference committee felt that most serious consideration should be given to increasing substantially the international educational exchange program. The authority contained in this section would make available additional dollars for international educational exchange and would complement the authorization contained in section 11 (a) making available additional foreign currencies for this purpose.

#### POLICY STATEMENT ON ECONOMIC DEVELOPMENT (SEC. 14)

The Senate amendment included a section expressing the sense of the Congress that the desirability of affirmatively promoting the economic development of underdeveloped countries be taken into account in the preparation of the mutual security program both as a means of effectively counteracting the increased political and

economic emphasis of Soviet foreign policy and as a means of promoting American foreign policy objectives of political and economic self-determination and independence. The House bill contained no such provision.

The managers on the part of the House accepted the Senate language with an amendment striking out the word "more" in the phrase "the President should take more fully into account" etc., thus removing any implication that prior consideration had been insufficient.

JAS. P. RICHARDS,  
THOMAS S. GORDON,  
THOMAS E. MORGAN,  
JOHN M. VORYS,  
WALTER H. JUDD,

*Managers on the Part of the House.*





and when you need assistance on this end, I'll give it to the limit of my ability.

With best personal regards to you and your family, I am

Sincerely yours,

BURREL S. FRIDGE,  
Assistant Director, Department of  
Public Works.

HOLDEN, LA.

HON. JAMES H. MORRISON,  
Congressman,  
Washington, D. C.

DEAR MR. MORRISON: Our Holden rural delivery route 1 is now in operation and all of us who receive its service are very glad to have it.

We feel that had it not been for your efforts in our behalf we might not now have the route and might never have got it.

All of us send you our hearty thanks for these efforts on your part.

With best regards and good wishes,

Sincerely yours,

J. H. RUSSELL.

LOUISIANA NATIONAL BANK,  
Baton Rouge, La.

HON. JAMES H. MORRISON,  
Member of Congress,  
House Office Building,  
Washington, D. C.

DEAR MR. MORRISON: Thank you for your very nice letter of October 21 along with the enclosures attached thereto.

Your kind assistance and cooperation in this matter is very greatly appreciated by the Baton Rouge chapter of American Institute of Banking.

Very truly yours,

C. S. GAIENNIE, JR.,  
Manager, Personal Loan Department.

FRANKLINTON, LA.

HON. JAMES H. MORRISON,  
Congressman, Sixth District,  
Hammond, La.

DEAR MR. MORRISON: I wish to take this opportunity to again thank you for the favor I recently asked of you, and you so promptly and graciously obliged. This favor meant a lot to me, and I hope I will be able to return this favor to you at some future date. I will assure you that I will support you in any future political campaigns as I have in the past, except more vigorously.

Again thanking you, I am

Very truly yours,

RUFUS W. BREEDEN.

BOGALUSA, LA.

Congressman JIMMY MORRISON,  
Washington, D. C.

DEAR CONGRESSMAN MORRISON: I want to take this means of thanking you for your efforts in assisting me in getting a job as a teacher overseas. On May 24, I was notified of this appointment. The place of duty is Japan.

This act of service you rendered shall always be remembered.

Trusting that you shall be a successful candidate in the forthcoming election, I remain

Yours truly,

CARRIE L. TEEL.

MAGAZINE LUMBER CO.,  
Bogalusa, La.

JAMES H. MORRISON,  
Member of Congress, House of Representatives, Washington, D. C.

DEAR MR. MORRISON: We have your letter of April 28, sending us a list from the Glass Manufacturers Association, for which please accept our thanks.

Your cooperation in this matter is greatly appreciated, and with kind personal regards, we are,

Yours very truly,

WILLIAM DENNIS.

STATE OF LOUISIANA,  
DEPARTMENT OF REVENUE,  
Baton Rouge, La.

HON. JAMES H. MORRISON,  
Member of Congress, House Office  
Building, Washington, D. C.

DEAR REPRESENTATIVE MORRISON: I am pleased to be able to advise you that I have been notified by the postmaster here that mail collections for the Capitol Annex Building will be continued as in the past.

Your efforts in this matter are sincerely appreciated.

With kindest regards, I am,

Respectfully,

RUFUS W. FONTENOT,  
Collector.

BATON ROUGE, LA.

HON. JAMES H. MORRISON,  
House of Representatives,  
Washington, D. C.:

Re E. D. Brewington. Due to illness am late in expressing my sincere gratitude for favor granted. He seems to be the man for the job. You, as always, never failed again. Thanks a lot. You literally kept the wolf from our door and paved our way to happiness. I hope some day we may be able to tell you just what your help meant to us.

Sincerely,

BEULAH OLIVIER BREWINGTON AND  
HUSBAND.

POLICE TRAINING ACADEMY,  
POLICE DEPARTMENT,  
Baton Rouge, La.

Congressman JAMES H. MORRISON,  
Sixth District, Hammond, La.

DEAR CONGRESSMAN MORRISON: This is to acknowledge receipt of your letter and the copy of your telegram to Maj. Gen. Raymond H. Fleming in reference to the use of Army surplus rifles in the police academy. General Fleming's aide telephoned me and assured me that he would do everything possible to secure these rifles for us.

Both Chief Arrighi and I are deeply appreciative of your prompt response to our request for assistance in this matter. I would like at this time to extend a personal invitation to you to visit the police training academy on your next trip to Baton Rouge. If you will let me know when you are coming, I would like to have you visit us and talk to our cadet trainees on a subject of your own choosing.

Thanking you again for your assistance and with kindest personal regards, I am

Sincerely yours,

JAMES M. BANNISTER,  
Captain.

Rougon, La.

HON. JAMES H. MORRISON,  
House Office Building, Washington, D. C.

DEAR MR. MORRISON: In December, I wrote you concerning back pay on Army allotment from Sfc. William M. Harris, RA338466825. Today, I received a check from the United States Army Finance Center, Indianapolis, Ind., for \$366.30 (March through July).

I had requested this pay in one form or another for 8 months. I am extremely grateful to you for this immediate action from the Army. I also appreciated your prompt and understanding reply to my letter. I thank you most sincerely for all you have done for me.

With best wishes always, I remain,

Very truly yours,

BEATRICE R. HARRIS.

WINKLER MANUFACTURING CO., INC.,  
Baton Rouge, La.

Congressman JAMES H. MORRISON,  
Sixth District, Louisiana, House Office  
Building, Washington, D. C.

DEAR CONGRESSMAN MORRISON: Please accept our sincere thanks for your quick response to our request for a map showing

the location of all permanent-type service bases in the United States.

We received the map this date and it will be of great help to us in that we now sell our products to many of these bases and hope to contact the remaining installations.

We are grateful to you for your immediate action.

Again, many thanks.

Very truly yours,

WINKLER MANUFACTURING CO., INC.

WINBOURNE AVENUE BAPTIST CHURCH,  
Baton Rouge, La.,

Congressman JIMMY MORRISON,  
House of Representatives,  
Washington, D. C.

DEAR JIMMY: In behalf of the church, I am taking this privilege of saying "Thank you" for helping us in securing the steel for the building of our church.

I have enjoyed the privilege of coming to know you and that of having fellowship with you. In the future I hope to be meeting you again on different occasions.

Again I would like to say that we certainly appreciate the help you gave us.

Sincerely,

R. P. BUTLER.

LOUISIANA STATE MEDICAL SOCIETY.

HON. JAMES H. MORRISON,  
House Office Building,  
Washington, D. C.

DEAR REPRESENTATIVE MORRISON: We wish to thank you for your interest in our behalf as regards the reinsurance bill, H. R. 8356, and to assure you we appreciate your cooperation at all times.

Again thanking you, and with my kindest personal regards, I am,

Very sincerely,

C. GRENES COLE, M. D.

STATE OF LOUISIANA,  
STATE FIRE MARSHAL,  
New Orleans, La.

HON. JAMES H. MORRISON,  
House Office Building, Washington, D. C.

DEAR JIMMY: I have your letter of May 18 and want to thank you very much for your fine support in getting Maj. Gen. Joseph F. Carroll to be a speaker at our arson and fire prevention conference here July 13-16.

We received a telegram from the general last week accepting our invitation and saying that he would be away from his office for about 2 weeks, but would get in touch with us as soon as he returns. We have scheduled him on our program for 9 a. m. Friday, July 16.

Again, many thanks for your fine help.

Sincerely,

SIDNEY S. BOWMAN,  
State Fire Marshal.

BATON ROUGE, LA.

HON. JAMES H. MORRISON,  
Member of Congress,  
House Office Building,  
Washington, D. C.

DEAR CONGRESSMAN MORRISON: Thank you very much for your letter of September 8.

Your interest and assistance with reference to my problem are most sincerely appreciated.

Respectfully yours,

HUGH REYNOLDS,  
LSU Student.

ST. THERESA CHURCH,  
Gonzales, La.

HON. JAMES H. MORRISON,  
House of Representatives,  
Washington, D. C.

DEAR CONGRESSMAN MORRISON: This is to thank you for mailing to us the list of building projects for which application has been approved for immediate construction with allotment of controlled materials. In the meantime, we have now received from the



United States Department of Commerce, National Production Authority, the necessary certificates.

We are grateful for the interest you have given to this matter and shall appreciate your continued help and assistance during the construction period.

With best wishes, I am

Sincerely yours,

Rev. EDMUND GAULRAPP,  
Rector.

LOUISIANA BANKERS' ASSOCIATION,  
Lake Providence, La.

Hon. JAMES H. MORRISON,  
House of Representatives,  
Washington, D. C.

DEAR MR. MORRISON: Please let me extend the sincere thanks of this association for the work you have done in connection with the omnibus public-works bill which includes the old river closure project. This legislation is most important to our State; accept our congratulations for a job well done.

With all good wishes, I am

Sincerely yours,

C. RUPERT EVANS,  
President.

TANGIPAHOA PARISH LIBRARY,  
Amite, La.

Hon. JAMES H. MORRISON,  
House Post Office and Civil Service  
Committee, Washington, D. C.

DEAR SIR: I would like to thank you very much for your action in striking from the postal-rate-increase bill section 5, which would have increased the postal rate on books. The proposed increase would have affected library service and public enlightenment to no small degree.

Sincerely,

ADELE BODKER,  
Librarian.

LOUISIANA VOCATIONAL ASSOCIATION,  
Baton Rouge, La.

Hon. JAMES H. MORRISON,  
House Office Building,  
Washington, D. C.

DEAR SIR: I wish to convey to you the appreciation of our members for the excellent job you did in Washington in our behalf for vocational education.

Very sincerely yours,

ONA SMITH, President.

STATE OF LOUISIANA,  
BATON ROUGE TRADE SCHOOL,  
Baton Rouge, La.

Hon. JAMES H. MORRISON,  
Congressman from Louisiana,  
Hammond, La.

DEAR SIR: I wish to express my deep gratitude and admiration for the wonderful assistance you gave to the cause of vocational education last spring when the George-Barden Act appropriation was under threat of being cut by Congress. It is a source of great satisfaction to the vocational education people all over the Nation to know that we have such a capable Representative in Congress on the alert to defend the cause of vocational education. It has been possible to maintain the former level of training for large numbers of industrial workers, thereby conserving talents and the ability to efficiently use our natural resources.

The prompt and personal attention you gave this matter in response to our request exhibits the highest ability and integrity of which the people of our lovely State are justly proud.

Yours very truly,

JEROME BOWLING, Jr.,  
Director.

Mr. Speaker, I say again, as I said before, that it is a great honor and privilege to represent the people of the Sixth District of Louisiana, here in the Na-

tion's Capital. The fact they have elected me each time by a larger majority when I was opposed and having been honored by being unopposed for 2 terms, I feel that I am most fortunate in representing them as their Congressman. Perhaps, the faith that these people have in me has given me the incentive and determination to accomplish the things that I have outlined here. This is more or less a report to the people. I certainly hope that I will have the honor and privilege of continuing to represent the people of the Sixth District of Louisiana because deep down in my heart I know there are no more worthy or finer people in the whole world.

#### MUTUAL SECURITY ACT OF 1954

Mr. RICHARDS submitted the following conference report and statement:

##### CONFERENCE REPORT (H. REPT. NO. 2643)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Mutual Security Act of 1956'."

"SEC. 2. The Mutual Security Act of 1954, as amended, is further amended by redesignating section 549, a statement of Congressional policy, as section 2, by inserting it immediately after the first section of the Act and before title I, and by amending it to read as follows:

"SEC. 2. Statement of policy: (a) The Congress of the United States, recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

"(b) It is the sense of the Congress that inasmuch as—

"(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of Western Europe;

"(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

"(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world,

those nations that have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

"(c) It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence."

"SEC. 3. Title I, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to military assistance, is further amended as follows:

"(a) In section 103 (a), which relates to authorizations, add the following new paragraph:

"(3) In addition, there is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$2,225,000,000, which shall remain available until expended."

"(b) In section 105, strike out subsections (c) and (d), and strike out the reference to subsection (d) in section 513.

"SEC. 4. Title I, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to defense support, is further amended by substituting a semicolon for the period after 'Asia' in subsection (c) of section 131 and inserting thereafter the following:

"and for the fiscal year 1957 not to exceed—

"(1) \$71,200,000 for Europe (excluding Greece and Turkey);

"(2) \$170,000,000 for the Near East (including Greece and Turkey) and Africa;

"(3) \$882,000,000 for Asia; and

"(4) \$52,000,000 for Latin America.

"Funds made available under paragraph (4) may be used to furnish assistance designed to sustain and increase military effort or political or economic stability, and may be used without regard to the requirements of sections 141 and 142 in the case of any nation which is a party to the Inter-American Treaty of Reciprocal Assistance and which has adhered to the resolution of 1954 entitled "Declaration of Solidarity for the Preservation of the Political Integrity of the American States against the Intervention of International Communism". Of the funds made available under paragraph (4), the sum of \$15,000,000 shall remain available until expended, notwithstanding any other provision of this subsection, and in the utilization of such sum preference shall be given to (A) projects or programs that will clearly contribute to promoting health, education, and sanitation in the area as a whole or among a group or groups of countries of the area, (B) joint health, education, and sanitation assistance programs undertaken by members of the Organization of American States, and (C) such land resettlement programs as will contribute to the resettlement of foreign and native migrants in the area as a whole, or in any country of the area, for the purpose of advancing economic development and agricultural and industrial productivity: *Provided*, That assistance under this sentence shall emphasize loans rather than grants wherever possible, and not less than 75 percentum of the funds made available for assistance under this sentence shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505."

"SEC. 5. Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which contains general provisions relating to mutual defense assistance, is amended by adding at the end thereof the following new section:

"SEC. 143. Notwithstanding any other provision of law, no assistance under this title or any other title of this Act, or under any provision of law repealed by section 542 (a)



of this Act, shall be furnished to Yugoslavia after the expiration of ninety days following the date of the enactment of this section, unless the President finds and so reports to the Congress, with his reasons therefor, (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this Act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world and (3) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this Act."

"SEC. 6. Title II of the Mutual Security Act of 1954, as amended, which relates to development assistance, is amended by striking out sections 201 and 202 and substituting the following new section:

"SEC. 201. AUTHORIZATION.—(a) In addition to the funds heretofore appropriated pursuant to the provisions of sections 201 and 418 of this Act as in effect prior to the enactment of the Mutual Security Act of 1956, which funds shall remain available for their original purposes in accordance with the provisions of law originally applicable thereto, there is hereby authorized to be appropriated to the President not to exceed \$293,000,000, to remain available until June 30, 1960, for assistance designed to promote the economic development of free Asia, the Middle East, and Africa, based on self-help and mutual cooperation of friendly nations, and to maintain economic and political stability in these areas.

"(b) The President is authorized to utilize the funds hereafter made available for purposes of this title to accomplish in these areas policies and purposes declared in this Act, and to disburse them on such terms and conditions, including transfer of funds, as he may specify: *Provided*, That eighty per centum of such assistance shall only be available on terms of repayment, except (1) when such funds are used to finance sales of surplus agricultural commodities under section 402, or (2) when granted for the purpose of a regional project involving two or more beneficiary nations: *And provided further*, That not more than 25 per centum of any funds hereafter made available for purposes of this title shall be used in furnishing bilateral assistance to any one nation.

"(c) Funds made available under this title may be used for expenses (other than those provided for under section 411 (c) of this Act) to assist in carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following); delegated or assigned to any agency or officer administering nonmilitary assistance."

"SEC. 7. Title III of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is further amended as follows:

"(a) In section 304 (b), which relates to authorization, after '\$146,500,000', insert ', and for the fiscal year 1957 not to exceed \$140,500,000.'

"(b) In section 306, which relates to multilateral technical cooperation:

"(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance, strike out all following '1956' and substitute ', and \$15,500,000 for the fiscal year 1957, for such contribution;'

"(2) In subsection (b), which relates to contributions to the technical cooperation programs of the Organization of American States, strike out all following '1956' and substitute ', and \$1,500,000 for the fiscal year 1957, for such contributions.'

"(c) In section 307, which relates to advances, grants, and contracts, strike out all following 'Congress,' in the last sentence

thereof and substitute 'extend at any time for not more than three years.'

"SEC. 8. Title IV of the Mutual Security Act of 1954, as amended, which relates to other programs, is further amended as follows:

"(a) Amend section 401, which relates to special fund, as follows:

"(1) In the first sentence of subsection (a), strike out '\$50,000,000' and substitute '\$150,000,000'; and in the last sentence of such subsection strike out '\$20,000,000' and substitute '\$30,000,000'.

"(2) In the second sentence of subsection (a), strike out the words 'and Austria'.

"(3) In subsection (b), after '\$100,000,000', insert ', and for the fiscal year 1957 not to exceed \$100,000,000.'

"(4) Add to section 401 the following new subsection:

"(c) It is the purpose of this Act to advance the cause of freedom. The Congress joins with the President of the United States in proclaiming the hope that the peoples who have been subjected to the captivity of communist despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter. Funds available under this section may be used for programs of information, relief, exchange of persons, education, and resettlement, to encourage the hopes and aspirations of peoples who have been enslaved by communism."

"(b) In section 402, which relates to earmarking of funds, after '\$300,000,000', insert ', and of the funds so authorized for the fiscal year 1957 not less than \$250,000,000.'

"(c) In section 403 (b), which relates to special assistance in joint control areas, after '\$21,000,000', insert ', and for the fiscal year 1957 not to exceed \$12,200,000.'

"(d) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

"(1) In subsection (c), after '\$1,400,000', insert ', and for the fiscal year 1957 not to exceed \$2,300,000.'

"(2) In subsection (d), after '\$6,000,000', insert ', and for the fiscal year 1957 not to exceed \$7,000,000.'

"(e) In section 406 (b), which relates to children's welfare, after '\$14,500,000', insert ', and for the fiscal year 1957 not to exceed \$10,000,000.'

"(f) In section 407 (b), which relates to Palestine refugees in the Near East, strike out 'for the fiscal year 1956'.

"(g) Amend section 409, which relates to ocean freight charges, by inserting in subsection (c), after '\$2,000,000' in the last sentence thereof, the phrase ', and for the fiscal year 1957 not to exceed \$3,000,000.'

"(h) In section 410, which relates to Control Act expenses, after '\$1,175,000' in the first sentence thereof, insert 'and for the fiscal year 1957 not to exceed \$1,175,000.'

"(i) Amend section 411, which relates to administrative and other expenses, as follows:

"(1) In subsection (b), strike out all that follows '\$35,225,000,' and insert 'and for the fiscal year 1957 not to exceed \$35,250,000, for necessary administrative expenses incident to carrying out the provisions of this Act (other than chapter 1 of title I and section 124).'

"(2) Redesignate subsection '(c)' as subsection '(e)', and insert after subsection (b) the following new subsections:

"(c) Not to exceed \$1,500,000 of funds made available under title II may be transferred in the fiscal year 1957 for necessary administrative expenses not otherwise provided for incident to carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7

U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance, and the amounts so transferred shall be consolidated with funds made available pursuant to this section for said fiscal year.

"(d) There are authorized to be appropriated to the Department of State such amounts, not to exceed \$7,000,000 in any fiscal year, as may be necessary from time to time for administrative expenses which are incurred for normal functions of the Department, which relate to functions under this Act."

"(j) In section 413 (b) (2), after 'to encourage and facilitate the flow of private investment to', insert ', and its equitable treatment.'

"(k) Amend section 413 (b) (4) as follows: "(1) After 'may make', insert ', through the agency primarily responsible for administering nonmilitary assistance under this Act.'

"(2) Substitute 'June 30, 1967' for 'June 30, 1957'.

"(3) In subparagraph (B) (ii), before the semicolon at the end thereof, insert 'or by reason of war'.

"(4) Amend subparagraph (F) to read as follows:

"(F) the President is authorized to issue guaranties up to a total face value of \$500,000,000 exclusive of informational media guaranties heretofore and hereafter issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (b) (3)): *Provided*, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, and funds realized after June 30, 1955, from the sale of currencies or other assets acquired pursuant to subparagraph (C), shall be available for allocation to other guaranties, and the foregoing limitation shall be increased to the extent that such funds become available. Any payments made to discharge liabilities under guaranties issued under this paragraph shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: *Provided*, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: *Provided further*, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties." For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on



the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2);".

"(1) Amend section 415, which relates to assistance to international organization, as follows:

"(1) Change 'Organization' in the title to 'Organizations'.

"(2) After 'the North Atlantic Treaty Organization', insert 'and the Organization for European Economic Cooperation'.

"(m) Repeal section 418, which relates to President's Fund for Asian Economic Development.

"(n) Add the following new section:

"SEC. 421. Food and Agriculture Organization: Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking out the figure "\$2,000,000" in section 2 thereof and inserting in lieu thereof the figure "\$3,000,000", and by inserting before the period at the end of such section a colon and the following: "Provided, That the percentage contribution of the United States to the total annual budget of the Organization shall not exceed 31.5 per centum".

"SEC. 9. Title V, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to general provisions, is further amended as follows:

"(a) In section 501, which relates to transferability of funds, strike out the last three sentences.

"(b) In section 502 (b), which relates to use of foreign currencies by committees of Congress, strike out 'Joint Committee on the Economic Report' and insert 'Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives'.

"(c) Amend section 507, which relates to availability of funds, to read as follows:

"SEC. 507. Availability of funds: Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year."

"(d) In section 509, which relates to shipping on United States vessels, after 'this Act' in the last sentence thereof, insert 'or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following)'.

"(e) Add the following new section:

"SEC. 515. Authorization for grant of contract authority: Provisions in this Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations."

"SEC. 10. Title V, chapter 2, of the Mutual Security Act of 1954, as amended, which relates to organization and administration, is further amended as follows:

"(a) In section 521, which relates to delegation of authority by the President, after 'subsection (b)' in subsection (a), insert 'and section 413 (b) (4)'.

"(b) Amend section 522, which relates to allocation and reimbursement among agencies, as follows:

"(1) Add the following at the end of subsection (b): 'The Administrator of General Services is authorized to maintain in a separate consolidated account, which shall be free from fiscal year limitations, payments received by the General Services Administration for administrative surcharges in connection with procurement services performed by the General Services Administration in furtherance of the purposes of this Act. Such payments shall be in amounts mutually acceptable to the General Services Administration and the United States Government agency which finances the procurement, and these amounts shall be available for administrative expenses incurred by the General

Services Administration in performing such procurement services.'

"(2) Add the following new subsection:

"(f) Any appropriation made to carry out the provisions of this Act may initially be charged, within the limits of available funds, to finance expenses for which funds are available in other appropriations made under this Act: *Provided*, That as of the end of the same fiscal year such expenses shall be finally charged to applicable appropriations with proper credit to the appropriations initially utilized for financing purposes."

"(c) In section 530, which relates to experts and consultants or organizations thereof, insert before the period at the end of subsection (a) the following: " *Provided*, That contracts for such employment with such organizations may be renewed annually'."

"(d) In section 532, which relates to exemption of personnel from certain Federal laws, add the following at the end of subsection (a): 'Contracts for the employment of retired military personnel with specialized research and development experience, not to exceed ten in number, as experts or consultants under section 530 (a), may be renewed annually, notwithstanding section 15 of the Act of August 2, 1946 (5 U. S. C. 55a)'."

"(e) Amend section 535, which relates to cooperation with international organizations, as follows:

"(1) Insert 'Nations and' after 'With' in the title.

"(2) Amend subsection (b) to read as follows:

"(b) Whenever the President determines it to be in furtherance of the purposes and within the limitations of this Act, United States Government agencies, or request of international organizations, are authorized to furnish supplies, materials, and services, and on request of nations, are authorized to furnish nonmilitary supplies, materials, and services, to such organizations and nations on an advance of funds or reimbursement basis. Such advances, or reimbursements which are received under this subsection within one hundred and eighty days after the close of the fiscal year in which such supplies, materials, and services are delivered, may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used."

"(f) Add the following new section:

"SEC. 537. Provisions on uses of funds: "(a) Appropriations for the purposes of this Act (except for chapter 1 of title I and section 124), allocations to any United States Government agency, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to any agency administering nonmilitary assistance, shall be available for:

"(1) rents in the District of Columbia for the fiscal year 1957;

"(2) expenses of attendance at meetings concerned with the purposes of such appropriations, including (notwithstanding the provisions of section 9 of the Act of March 4, 1909 (31 U. S. C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 530 of this Act;

"(3) employment of aliens, by contract, for services abroad;

"(4) purchase, maintenance, operation, and hire of aircraft: *Provided*, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

"(5) purchase and hire of passenger motor vehicles: *Provided*, That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles abroad for administrative purposes may be purchased for replacement only and such vehicles may be exchanged or sold and replaced

by an equal number of such vehicles and the cost, including exchange allowance, of each such replacement shall not exceed \$3,300 in the case of an automobile for the chief of any special mission or staff abroad established under section 526 of this Act: *Provided further*, That passenger motor vehicles may be purchased for use in the continental United States only as may be specifically provided in an appropriation or other Act;

"(6) entertainment within the United States (not to exceed \$15,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

"(7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543), and loss by exchange;

"(8) expenditures (not to exceed \$50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: *Provided*, That a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by an officer administering nonmilitary assistance, or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

"(9) insurance of official motor vehicles in foreign countries;

"(10) rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters;

"(11) actual expenses of preparing and transporting to their former homes in the United States or elsewhere, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection (a);

"(12) purchase of uniforms;

"(13) payment of per diem in lieu of subsistence to foreign participants engaged in any program of furnishing technical information and assistance, while such participants are away from their homes in countries other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding any other provision of law;

"(14) expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801 and the following), not otherwise provided for;

"(15) ice and drinking water for use abroad;

"(16) services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the regular corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized;

"(17) expenses in connection with travel of personnel outside the continental United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel) and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during that same fiscal year, and cost of transport-



ing to and from a place of storage, and the cost of storing, the furniture and household and personal effects of any employee (i) for not to exceed three months after first arrival at a new post, (ii) when an employee is assigned to a post to which he cannot take, or at which he is unable to use, his furniture and household and personal effects, or (iii) when such storage would avoid the cost of transporting such furniture and effects from one location to another, under such regulations as an officer administering nonmilitary assistance, or such person as he may designate, may prescribe;

“(18) payment of unusual expenses incident to the operation and maintenance of official residences for chiefs of special missions or staffs serving in accordance with section 526 of this Act.

“(b) United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program.

“(c) Not to exceed \$12,000,000 of the funds available in the fiscal year 1957 for assistance in Korea under this Act may be used by the President to construct or otherwise acquire essential living quarters, office space, and supporting facilities in Korea for use by personnel carrying out activities under this Act.”

“Sec. 11. Title V, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to repeal and miscellaneous provisions, is further amended as follows:

“(a) Amend section 544, which relates to amendments to other laws, by adding the following new subsections:

“(c) In section 4 of the Act of May 26, 1949 (63 Stat. 111, 5 U. S. C. 151c), insert after the words “such functions” the following: “, including if he shall so specify the authority successively to redelegate any of such functions.”

“(d) In the first sentence of section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), after “any agency thereof”, insert “, including amounts received in repayment of principal or interest on any loan made under section 505 (b) of the Mutual Security Act of 1954, as amended”.

“(e) Section 933 of the Foreign Service Act of 1946, as amended (22 U. S. C. 1148), is hereby amended by inserting after “continental United States” where it appears in both subsection (a) and subsection (b) of that section “, its Territories and possessions.”

“(f) Section 1441 (c) of the Internal Revenue Code of 1954 is hereby amended by inserting after paragraph (5) the following new paragraph:

“(6) Per diem of certain aliens: No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the United States Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.”

“(g) Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442), is amended by inserting “(a)” before “The Director”, by deleting everything after the words “national interests of the United States”, by inserting a period at that point, and by inserting the following new subsections:

“(b) The Director is authorized to assume the obligation of not to exceed \$28,000,000 of the notes authorized to be issued pursuant to subsection 111 (c) (2) of the Economic Cooperation Act of 1948, as amend-

ed (22 U. S. C. 1509 (c) (2)), together with the interest accrued and unpaid thereon, and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.

“(c) The Director is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413 (b) (4) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the Director less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).

“(d) Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties. Such currencies shall be available, as may be provided for by the Congress in appropriation Acts, for use for educational, scientific, and cultural purposes which are in the national interest of the United States, and for such other purposes of mutual interest as may be agreed to by the governments of the United States and the country from which the currencies derive.

“(e) Notwithstanding the provisions of subparagraph 413 (b) (4) (E) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and (2) the Director may require the payment of a minimum charge of up to fifty dollars for issuance of guaranty contracts, or amendments thereto.

“(f) The Director is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: *Provided*, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within nine months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.

“(g) As soon as feasible after the enactment of this subsection, all assets, liabilities, income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that Act, shall be accounted for separately from other guaranties issued pursuant to subsection 413 (b) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b)): *Provided*, That there shall be transferred from the special account established pursuant to subsection (b), into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and used to make payments under informational media guaranties.”

“(h) Section 104 (h) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), is amended by adding at the end thereof the following: “In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection, including a

particular effort with regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes.”

“(i) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), as amended, is further amended by adding after paragraph (h) the following new paragraph:

“(1) for financing the translation, publication, and distribution of books and periodicals, including Government publications, abroad: *Provided*, That not more than \$5,000,000 may be allocated for this purpose during any fiscal year.”

“(b) Amend section 545, which relates to definitions, as follows:

“(1) Add at the end of subsection (h) the following: ‘Notwithstanding the foregoing provisions of this subsection (h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the Mutual Defense Assistance Program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability, that the term “value” (except in the case of excess equipment or materials) shall mean—

“(1) the price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or

“(2) where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value.’

“(2) Add the following new subsections:

“(j) The term “agency administering nonmilitary assistance” shall refer to any agency to which authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.”

“(k) The term “officer administering nonmilitary assistance” shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.”

“(c) In section 548, which relates to unexpended balances, strike out ‘heretofore’, substitute ‘1957’ for ‘1956’, and strike out the colon and the remainder of the sentence following ‘Act’ the second time it appears and insert a period.

“(d) Add the following new section:

“Sec. 549. Special provision on availability of funds: An amount equal to 25 per centum of the funds authorized to be appropriated for any fiscal year for purposes of chapter 3 of title I, title III, or section 403 of this Act is authorized to be continued available for 3 months beyond the end of the fiscal year for which appropriated.”

#### “FOREIGN RESEARCH REACTOR PROJECTS

“Sec. 12. (a) As one means of furthering peaceful uses of atomic energy on an international basis, there is hereby authorized to be appropriated to the President for the fiscal year 1957 not to exceed \$5,950,000 for use by the President, on such terms and conditions as he may specify, for research reactor projects undertaken or authorized by foreign governments which shall have entered into agreements for cooperation with the Government of the United States concerning the peaceful uses of atomic energy.

“(b) Nothing in this section shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1954.

“(c) The United States share of the cost of any reactor made available to another gov-



ernment or to other governments under this section shall not exceed \$350,000.

"(d) In carrying out the purposes of this section, the appropriate United States departments and agencies shall give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the United States. Such portions of the equipment furnished under this section as may be appropriately die-stamped as a product of the United States shall be so stamped.

"Sec. 13. It is the sense of Congress that not to exceed \$11,000,000 of the funds made available pursuant to the Mutual Security Act of 1954, as amended, for the fiscal year 1957 be transferred, in the discretion of the President, to the Department of State to carry out international educational exchange activities. Such amount is authorized to be transferred to and consolidated with funds made available to the Department of State for the fiscal year 1957 for the activities authorized by the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1431-1479), and by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)). The amount transferred pursuant to this section shall be in addition to funds

otherwise appropriated for such activities, and not to exceed \$500,000 of the amount so transferred may be used for administrative expenses.

"Sec. 14. It is the sense of Congress that in the preparation of the mutual security program, the President should take fully into account the desirability of affirmatively promoting the economic development of underdeveloped countries, both as a means of effectively counteracting the increased political and economic emphasis of Soviet foreign policy and as a means of promoting fundamental American foreign policy objectives of political and economic self-determination and independence."

And the Senate agree to the same.

JAS. P. RICHARDS,  
THOMAS S. GORDON,  
THOMAS E. MORGAN,  
JOHN M. VORYS,  
WALTER H. JUDD,

*Managers on the Part of the House.*

WALTER F. GEORGE,  
THEODORE FRANCIS GREEN,  
J. W. FULBRIGHT,  
JOHN SPARKMAN,  
H. ALEXANDER SMITH,  
B. B. HICKENLOOPER,  
WILLIAM F. KNOWLAND,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the differences are noted below:

The committee of conference agreed on a total authorization of \$3,927,575,000. This is an increase of \$360,100,000 over the House bill and a reduction of \$382,500,000 from the Senate amendment.

The following table shows the comparable figures for the various categories in the bill and the executive, House, Senate, and conference agreement amounts:

*Mutual security authorizations*

	Administration request (1)	House (2)	Senate (3)	Conference agreement (4)	Differences between House bill and conference agreement (5)
<b>TITLE I</b>					
Military assistance.....	\$2,925,000,000	\$1,925,000,000	\$2,525,000,000	\$2,225,000,000	+\$300,000,000
Defense support:					
Europe.....	78,700,000	63,700,000	78,700,000	71,200,000	+7,500,000
Near East and Africa.....	170,000,000	170,000,000	170,000,000	170,000,000	-----
Asia.....	882,000,000	882,000,000	882,000,000	882,000,000	-----
Latin America.....	37,000,000	37,000,000	37,000,000	52,000,000	+15,000,000
Subtotal.....	1,130,700,000	1,152,700,000	1,167,700,000	1,175,200,000	+22,500,000
Total, title I.....	4,055,700,000	3,077,700,000	3,692,700,000	3,400,200,000	+322,500,000
<b>TITLE II</b>					
Development assistance:					
Near East and Africa.....	63,000,000	243,000,000	63,000,000	293,000,000	+50,000,000
Asia.....	80,000,000		80,000,000		
Latin America.....	27,000,000		-----		
Total, title II.....	170,000,000	243,000,000	143,000,000	293,000,000	+50,000,000
<b>TITLE III</b>					
Technical cooperation:					
Bilateral.....	140,500,000	140,500,000	140,500,000	140,500,000	-----
Multilateral:					
U. N.....	15,500,000	15,500,000	15,500,000	15,500,000	-----
OAS.....	1,500,000	1,500,000	1,500,000	1,500,000	-----
Total, title III.....	157,500,000	157,500,000	157,500,000	157,500,000	-----
<b>TITLE IV</b>					
Other programs:					
Special fund.....	100,000,000	100,000,000	100,000,000	100,000,000	-----
Encouragement of enslaved peoples.....	-----	-----	5,000,000	-----	-----
Joint control areas.....	12,200,000	12,200,000	12,200,000	12,200,000	-----
U. N. refugee fund.....	2,300,000	2,300,000	2,300,000	2,300,000	-----
Escapees.....	7,000,000	7,000,000	7,000,000	7,000,000	-----
U. N. Children's Fund.....	10,000,000	10,000,000	10,000,000	10,000,000	-----
Ocean freight:					
Voluntary agencies.....	1,400,000	1,400,000	3,000,000	3,000,000	+1,600,000
Surplus agricultural commodities.....	14,000,000	14,000,000	-----	-----	-14,000,000
Control Act expenses.....	1,175,000	1,175,000	1,175,000	1,175,000	-----
Administrative expenses.....	35,250,000	35,250,000	35,250,000	35,250,000	-----
Special authorization, Middle East and Africa.....	100,000,000	-----	100,000,000	-----	-----
Latin American economic development fund.....	-----	-----	35,000,000	-----	-----
Foreign reactor projects.....	5,950,000	5,950,000	5,950,000	5,950,000	-----
Total, title IV.....	289,275,000	189,275,000	316,875,000	176,875,000	-12,400,000
Total.....	4,672,475,000	3,667,475,000	4,310,075,000	4,027,575,000	+360,100,000
Deduct: Repeal of unappropriated authorization, President's fund for Asian economic development.....	-----	-100,000,000	-----	-100,000,000	-----
Net total.....	4,672,475,000	3,567,475,000	4,310,075,000	3,927,575,000	+360,100,000

NOTE.—The House bill also authorizes an increase from \$2,000,000 to \$3,000,000 in the ceiling on annual United States contributions to the Food and Agriculture Organization. The Senate bill likewise authorizes the increase, with a proviso that United States contributions cannot exceed 31.5 percent of total contributions.

The House bill authorizes appropriations "of such sums as may be necessary" for State Department administrative expenses in connection with the act. The Senate bill authorizes not to exceed \$7,000,000 a year for this purpose.



## STATEMENT OF POLICY (SEC. 2)

The Senate amendment modified the statement of policy contained in the House bill in four respects. The House bill declared it to be the policy of the United States to provide assistance to other nations as long as the United States is able to provide." The and the security of the United States persists "of such nature and in such amounts as the United States is able to provide." The Senate amendment substituted for the words "is able" the words "deems advisable".

The House accepted the words "deems advisable" as being a more satisfactory guide to United States policy.

The Senate amendment provided for combining the statements of congressional policy already set forth in section 549 of the Mutual Security Act with the statement of policy contained in the present bill. The House accepted this change in the arrangement of the bill.

The Senate amendment included a statement declaring it to be the policy of the United States to expand its own airpower through the construction of planes, guided missiles and other advanced weapons so as to be prepared at all times to resist any attack by the Communist powers. In addition, the Senate amendment contained a statement that the United States would furnish assistance to newly independent states in Africa in the same manner as in the case of other independent states. The Senate receded from its language pertaining to Africa not because Africa is unimportant but because authority and policy statements pertaining to newly independent states are included in previous legislation.

AUTHORIZATION FOR MILITARY ASSISTANCE  
(SEC. 3)

The House bill authorized \$1,925 million for military assistance and included the limitation that no less than \$48 million of this amount should be used to provide assistance to Spain and that not more than \$402 million might be used to provide assistance to other European countries. The Senate bill authorized a total of \$2,525 million for military assistance. \$1,600 million of this amount was to be used only to purchase equipment and materials for the Armed Forces of the United States in replacement for equipment and materials of a corresponding value which the Secretary of Defense was authorized to furnish from Department of Defense stocks for the mutual security program.

The committee of conference agreed to a total authorization of \$2,225 million for military assistance, an increase of \$300 million above the figure approved by the House, and a decrease of \$300 million of the figure approved by the Senate. The restriction on the use of \$1,600 million contained in the Senate bill for the purchase of equipment for the Armed Forces of the United States was eliminated, as were the limitations imposed by the House on the funds for Spain and for other European countries. It was specifically agreed by the conferees that Spain should receive, and would be expected to receive, the full amount of military assistance which had been programed by the executive branch and included in its request for the authorization of military funds.

Although the managers on the part of the House opposed the provision of the Senate bill restricting the use of a portion of the military funds to procurement from the Department of Defense, they recognized the identity of purpose between our own Department of Defense budget and the funds authorized for the mutual-security program. They wish to reiterate the recommendation in the committee report that "while legislative policy authorization should continue to be coordinated and reviewed as at present, the executive branch carefully consider placing the military portion of the mutual-

security program in the Department of Defense budget next year."

## DEFENSE SUPPORT FOR EUROPE (SEC. 4 (1))

The House bill contained an authorization for \$63,700,000 for defense support for Europe. The Senate amendment provided \$78,700,000 for this purpose. The figure in the House bill represented a reduction of \$15 million from the executive branch request. The report of the House committee stated that "the purpose of this reduction was to reduce the assistance which had been requested for Yugoslavia by 50 percent." The Senate figure represented an authorization of the full amount of the executive request for defense support for Europe, including Yugoslavia. The committee of conference agreed to an authorization of \$71,200,000, an increase of \$7,500,000 above the figure in the House bill, and a decrease of \$7,500,000 below the Senate authorization.

DEFENSE SUPPORT FOR LATIN AMERICA  
(SEC. 4 (4))

Both the House bill, and the Senate amendment contained an authorization of \$37 million for defense support to Latin America for fiscal year 1957. The House bill specified that such funds might be used to furnish assistance designed to sustain and increase "military or internal defense efforts," while the Senate amendment provided that such assistance could be used to sustain and increase "military effort or political or economic stability."

The conference agreement incorporates the language of the Senate amendment, which more clearly expresses the intent of the House.

The Senate amendment, in addition, contained a provision (sec. 8 (1)) authorizing the establishment of an "economic development fund for Latin American countries" and an appropriation of \$35 million to remain available until expended, for this purpose. The Senate amendment required that such assistance shall emphasize loans rather than grants wherever possible, and not less than 75 percent of the funds appropriated shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505, and that not more than 25 percent of the funds may be allocated for assistance to any one country. The Senate amendment further specified that in utilizing the fund the President should give preference to: (1) projects or programs that will clearly contribute to promoting health, education, and sanitation in the area as a whole or among a group or groups of countries of the area, and (2) joint health, education, and sanitation assistance programs undertaken by members of the Organization of American States. The House bill contained no such provision.

The conference agreement includes a modification of the Senate amendment with respect to the economic development fund. The amount of the fund is reduced to \$15 million and is added to the defense support figure, making a total of \$52 million for defense support for Latin America. The committee of conference points out that the additional sum of \$15 million is to be used as a fund for basic economic development purposes in Latin America as specified in the conference agreement. The requirement contained in the Senate amendment that not more than 25 percent of the \$15 million fund may be allocated for assistance to any one country is omitted. The conference agreement also adds to the list of preferential projects and programs under this fund a third category "such land resettlement programs as will contribute to the resettlement of foreign and native migrants in the area as a whole, or in any country of the area, for the purpose of advancing economic development and agricultural and industrial productivity." While preference is to be given to

regional projects in the utilization of the \$15 million authorized, this is not intended to exclude its use for bilateral projects.

PROHIBITION OF ASSISTANCE TO YUGOSLAVIA  
(SEC. 5)

Both the House bill and the Senate amendment contained a provision prohibiting assistance to be furnished to Yugoslavia unless the President makes certain findings with respect to Yugoslavian policies and the national security of the United States. The Senate amendment specified that the prohibition shall be effective after the expiration of 90 days following the enactment of the bill, added a third finding "that Yugoslavia does not adhere to any policy for the Communist conquest of the world" and required the President to report the findings to the Congress with his reasons therefor.

The conference agreement retains the Senate language, except that the third finding is modified by requiring the President to find "that Yugoslavia is not participating in any policy or program for the Communist conquest of the world." This modified language more nearly conforms to the intent inherent in both the House bill and the Senate amendment.

DEVELOPMENT ASSISTANCE AND REGIONAL FUND  
AUTHORIZATIONS (SEC. 6)

The House bill authorized a total of \$243 million for development assistance for Asia, the Middle East, and Africa, and repealed an authorization of \$100 million for Asian economic development which had been previously made but for which no funds had been appropriated. The language of the House bill provided for a single fund for development assistance instead of regional funds in particular areas. The funds authorized were made available until June 30, 1960. The House bill required that development assistance be provided on a loan basis, except when funds are used for financing sales of surplus agricultural commodities under section 402 or for regional projects involving two or more nations. The House bill also required that not more than 25 percent of the funds authorized could be allocated to any country and that development assistance could only be given to a nation which had entered into a written agreement to permit participation by private enterprise in the accomplishment of the purposes of the Mutual Security Act. Unobligated funds from prior authorizations for development assistance and the fund for Asian economic development were continued available for their original purposes in accordance with the provisions of law originally applicable.

The Senate bill authorized \$143 million for development assistance, of which \$63 million was made available for the Near East and Africa and \$80 million for Asia. In addition, the Senate bill provided a special fund of \$100 million for the Middle East and Africa and did not include a repeal of the authorization for Asian economic development. These authorizations made available a total of \$343 million for purposes corresponding to those for which \$243 million was authorized by the House. The Senate amendment required that 75 percent of all development assistance should be on a loan basis and 25 percent on a grant basis, except when funds are used for financing sales of surplus agricultural commodities under section 402 or for regional projects. No limitation as to the amount of assistance to be provided to any country was included.

The committee of conference accepted the concept of a single economic development fund for all the countries of Asia, the Middle East, and Africa, as provided in the House bill, and authorized \$293 million for this purpose—a figure \$50 million above that contained in the House bill and \$50 million less than the Senate figure. The committee of conference agreed to require that 80 percent



of development assistance be on a loan basis, except to the extent that funds are used for financing sales of surplus agricultural commodities under section 402 or for regional projects. Thus, 20 percent of the funds appropriated under this section or transferred to it may be used for bilateral dollar grant assistance, but additional grant assistance may be available solely for regional projects. The committee of conference further agreed to accept the limitation of 25 percent to any country contained in the House bill, with language to make clear that the 25 percent limitation applied only to bilateral assistance received by a country and did not include its share under any regional project in which it participated. The requirement of an agreement as to participation by private enterprise was omitted in the belief that the policy directives contained in section 413 as to the encouragement of free enterprise and private participation in administering the mutual security program were clear and should be vigorously observed and implemented by the executive branch.

#### STUDY OF TECHNICAL COOPERATION PROGRAM

The House bill contained a provision for a study to be made under the direction of the President on the technical cooperation program. The Senate amendment contained no such provision. The planned studies of the mutual security program by both the executive and legislative branches will include a study of technical assistance. It is expected that those making the studies will consider, among other proposals, the desirability of administering technical cooperation either by a new independent agency or Government corporation (sec. 6 (d) of the House bill).

The conference agreement omits the House provision.

#### REFERENCE TO AUSTRIA (SEC. 8 (a) (2))

The House accepted the Senate amendment deleting Austria from the nations listed in section 401 with reference to assistance to escapees. Since the Soviet occupation of Austria has ended, the reference to Communist-occupied areas of Austria is no longer accurate.

#### ADVANCING THE CAUSE OF FREEDOM (SEC. 8 (a) (4))

The Senate amendment contained two provisions authorizing funds for the relief and encouragement of persons who have been enslaved by communism. The House bill contained no such provision. The committee of conference agreed that the policy of the United States with respect to such peoples should be reiterated, particularly in view of the recent uprisings in Poland, but that the funds available to the President under the Kersten amendment and otherwise were entirely adequate for any expenditures that might be desirable in the next year.

The committee of conference agreed, therefore, to make explicit the authority for which section 401 funds may be used to include programs of information, relief, exchange of persons, education, and resettlement to encourage the hopes and aspirations of people who have been enslaved by communism.

In the policy statement the following sentence, originally proposed to Congress by the President in 1953, was included:

"The Congress joins with the President of the United States in proclaiming the hope that the peoples who have been subjected to the captivity of Communist despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter."

#### OCEAN FREIGHT CHARGES (SEC. 8 (g))

The House bill contained two authorizations for the payment of ocean freight charges. The first was \$1,400,000 for freight on gift packages shipped by voluntary non-profit agencies; the second was \$14 million for ocean freight on surplus agricultural commodities distributed by such voluntary agencies.

The Senate amendment increased the first authorization from \$1,400,000 to \$3 million and eliminated the second authorization of \$14 million.

The managers on the part of the House accepted both Senate provisions. The \$14 million for freight on surplus agricultural commodities is no longer necessary because provision has been made for paying such expenses out of Commodity Credit Corporation funds, under an amendment to the Agricultural Trade Development and Assistance Act of 1954, which was enacted after the mutual security bill passed the House. The House conferees accepted the Senate figure for freight on gift packages because of their belief that the volume of shipments anticipated by the voluntary agencies would require the use of the larger amount.

#### ADMINISTRATIVE EXPENSES OF DEPARTMENT OF STATE (SEC. 8 (1) (2))

The House bill authorized an annual appropriation to the Department of State of an unspecified amount for administrative expenses incurred by the Department in carrying out functions under the Mutual Security Act. The Senate amendment limited the annual appropriation to an amount not to exceed \$7 million. The State Department's expenses have heretofore been met from ICA's administrative funds. The adoption of the Senate language will make possible a clearer identification of this portion of administrative expenses. To the extent that future appropriations for this purpose are in the State Department's budget, the administrative budget of ICA will be reduced by a corresponding amount.

#### THE INVESTMENT GUARANTY PROGRAM (SEC. 8 (k))

Broadening the coverage of investment guaranties (sec. 8 (k) (3)): The House bill contained a provision broadening the investment guaranty program to cover the risks of "war, revolution, or insurrection." The Senate amendment contained no such language.

The conference agreement retains the language of the House bill broadening the coverage to include the risk of war, but omits the inclusion of the coverage of the risks of revolution or insurrection.

Retention of investment guaranty program in the International Cooperation Administration (sec. 8 (k) (1)): The House bill contained a provision making clear by express statutory provision that the investment guaranty program shall be retained by the ICA. The Senate amendment contained no such provision.

The conference agreement substitutes for the "International Cooperation Administration" the phrase "the agency primarily responsible for administering nonmilitary assistance under this Act". This function is the responsibility of the ICA. The committee of conference was agreed that the investment guaranty program is an important part of the private enterprise provisions of the Mutual Security Act and should be retained by the agency which handles the nonmilitary assistance aspect of the Mutual Security Act rather than transferred to a banking institution, the Export-Import Bank, which testimony before the House Committee indicated was being contemplated by the Executive Branch. The substitution conforms to the purpose of the House provision but refers to the function of ICA rather than mentioning

ICA specifically, in keeping with the drafting technique contained in other provisions of the Mutual Security Act.

#### FOOD AND AGRICULTURE ORGANIZATION (FAO) (SEC. 8 (n))

Both the House bill and the Senate amendment authorized an increase in the ceiling in United States contributions to FAO from \$2 million a year to \$3 million, except that the Senate amendment contained a proviso that the percentage contribution of the United States to the total annual budget of FAO shall not exceed 31.5 percent.

The conference agreement retains the language of the House bill with the addition of the proviso contained in the Senate amendment.

The committee of conference was of the view that the figure of 31.5 percent should be included in the conference agreement to emphasize the desire of the Congress that, with the increased membership of most United Nations specialized agencies and with improved economic conditions of most members, the percentage of United States contributions to international organizations be reduced rather than increased.

#### TRANSFER OF FUNDS TO DEVELOPMENT ASSISTANCE (SEC. 9 (a))

The House bill included a provision that any funds transferred from other authorizations to the development assistance program should be available only within the same limits as to loans, surplus agricultural commodities, and regional grants as were contained in section 5 of the House bill (sec. 6 of the conference agreement). The Senate amendment did not include such a provision. The committee of conference omitted this provision because the revisions in the provisions of the bill dealing with development assistance made it no longer necessary.

#### USE OF FOREIGN CURRENCY BY CONGRESSIONAL COMMITTEES (SEC. 9 (b))

The House accepted the Senate language with an amendment. The amended language extends the use of foreign currencies by congressional committees to include the Select Committees on Small Business of the House and of the Senate and changes the present reference to the "Joint Committee on the Economic Report" to "Joint Economic Committee".

#### AVAILABILITY OF FUNDS (SEC. 9 (c))

Both the House bill and the Senate amendment contained provisions to make clear that the requirement of annual authorization and appropriation did not apply in cases where provisions of the act specifically authorized a different period of availability. The two bills were identical in substantive effect. The only difference was in drafting technique. The committee of conference accepted the language of the Senate amendment as being technically superior to that of the House bill.

#### AUTHORIZATION FOR GRANT OF CONTRACT AUTHORITY (SEC. 9 (e))

The Senate amendment included language to the effect that any provision of the act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations. The House bill contained no such provision. The managers on the part of the House accepted this provision of the Senate amendment as being entirely consistent with existing law and legislative practice.

#### EXEMPTION OF PERSONNEL FROM CERTAIN FEDERAL LAWS (SEC. 10 (d))

The House bill permitted the employment of retired military personnel as experts or



consultants for more than one year. The Senate amendments limit the employment of such individuals to not more than ten in number at any one time. Further, such individuals must have specialized experience in research and development.

#### COOPERATION WITH NATIONS AND INTERNATIONAL ORGANIZATIONS (SEC. 10 (e) (2))

Both the House bill and the Senate amendment contained authorization for furnished "within the limitations of this foreign nations and international organizations on an advance of funds or reimbursable basis. The Senate amendment included the restriction that such assistance must be furnished "within the limitation of this Act." The House bill did not include this restriction.

The managers on the part of the House accepted this restriction because the language of the section was broad, and it was in their judgment desirable to make clear that this authority is subject to all of the limitations contained in the act.

#### POINT OF ORDER PROVISIONS (SEC. 10 (f))

Both the House bill and the Senate amendment provided a statutory basis for certain routine-type expenditures, most of which have been authorized in the past on a year-to-year basis in appropriation acts. This was included in order to prevent a possible basis for a point of order against mutual security appropriation bills and in order to eliminate the need for reenacting these provisions each year in appropriation bills. While worded differently, the House bill and the Senate amendment were essentially the same in substance, except that the House bill did not cover limited authorization for purchase of aircraft and payment of per diem to dependents of personnel during necessary stopovers while engaged in international travel.

The conference agreement incorporates the language of the Senate amendment, which is the form in which the provisions were originally submitted by the executive branch.

#### KOREAN HOUSING (SEC. 10 (f))

The Senate amendment contained an authorization to use \$12 million of the funds authorized under other provisions of the bill to construct or otherwise acquire living quarters, office space, and supporting facilities in Korea for use by personnel carrying out activities under this act. The request for this authorization was not submitted to the House during its consideration of the mutual-security program by the executive branch because the program for this construction was not developed in time.

The managers on the part of the House are convinced that living quarters and office space are urgently needed by United States personnel stationed in Korea. The severe war damage in that country has resulted in a persistent housing shortage. As a consequence, it has been impossible, except in a very few instances, for the families of American military and civilian personnel stationed in Korea to be located there. These families are often housed in Japan, to the detriment of the morale of the personnel involved. Members of the Foreign Affairs Committee visiting Korea report that the quarters occupied by American civilian and military personnel fall far short of the minimum standards which such persons have a right to expect. In order to make clear that the funds authorized should be used only to meet the necessary standards for health and comfort, the committee of conference amended the Senate provision by limiting the use of funds to provide only "essential" living quarters, office space, and supporting facilities.

#### USE OF PUBLIC LAW 480 FOREIGN CURRENCIES FOR EDUCATIONAL EXCHANGE (SEC. 11 (a))

The Senate amendment contained a provision amending section 104 (h) of Public

Law 480 to require that not less than 5 percent of the aggregate of the foreign currencies accruing from sales of surplus agricultural commodities under that act and from loan repayments under section 104 (g) shall be used for the financing of international educational exchange activities (sec. 104 (h)). It also required that a special effort be made to use such foreign currencies for the international educational exchange program in countries where other funds were not available for such purposes and countries where a fund can be established with interest and principal which will be available over a period of years for such purposes. The House bill did not contain such provisions.

The committee of conference agreed to delete the requirement that 5 percent of the foreign currency be set aside because it believed that such a mandatory requirement might make sales of surplus agricultural commodities more difficult. The committee of conference accepted the other Senate provisions with an amendment requiring the executive branch to increase its effort to use Public Law 480 foreign currencies in the international student exchange program. The committee of conference is convinced that it is possible to make a substantial contribution to United States foreign policy by increasing the use of foreign currencies in the international educational exchange programs in a number of countries, and it expects those responsible for the administration of Public Law 480 funds to carry out the policy set forth in this section.

#### USE OF PUBLIC LAW 480 FOREIGN CURRENCIES FOR A PROGRAM OF TRANSLATING BOOKS AND PERIODICALS (SEC. 11 (a))

The Senate amendment included an amendment to section 104 of Public Law 480 authorizing the use of \$5 million equivalent of foreign currencies generated under that act for the financing of the translation, publication, and distribution of books and periodicals abroad. The House bill did not contain such a provision. The managers on the part of the House accepted this provision of the Senate amendment. It is important that the United States expand its translation, publication and distribution of books and periodicals in foreign nations in order to counteract the large-scale flow of Communist literature in such countries. The authorization does not set aside \$5 million of foreign currencies for this specific purpose but merely permits the use up to the \$5 million limit of such currencies if the funds are available and if those administering the program can use them effectively.

#### USE OF FOREIGN CURRENCIES UNDER THE INFORMATIONAL MEDIA GUARANTY PROGRAM (SEC. 11 (a))

Both the House bill and the Senate amendment contained a provision authorizing the sale of foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties for dollars to be deposited in a special account and to be available for payments under new informational media guaranties. The Senate amendment, in addition, contained a provision permitting the use, as may be provided in future appropriation acts, of the local currencies generated by the informational media guaranty program for educational, scientific, and cultural purposes and other purposes which are in the interest of the United States.

The conference agreement retains the additional language of the Senate amendment. The need for this additional language was stated, in part, in a communication from the Honorable Robert C. Hill, Assistant Secretary of State for Congressional Relations, to the chairmen of the Foreign Relations and Foreign Affairs Committees, as follows:

"The informational media guaranty (IMG) program operates only in countries which

have given their formal consent to it. A number of these countries have accepted the program only upon condition that the local currencies accruing to the credit of the United States under the program will be used for special and limited purposes which will avoid loss of dollar exchange. Generally such restrictions permit the use of the local currencies for 'educational, scientific, or cultural' purposes or for other purposes that may be specially agreed to by the two governments. The United States Government has found it expedient to accept such conditions in countries where, for reasons of policy, it has seemed especially desirable to introduce informational materials from the United States.

"As a consequence, however, the United States Government has accumulated certain foreign currencies under the IMG program which cannot be fully utilized under existing law. \* \* \* The funds accruing in the IMG accounts in certain countries cannot be spent for general United States expenses because of restrictions contained in the bilateral agreements with those countries, and cannot be fully utilized for purposes acceptable to the other countries without broader legislative authority than presently exists."

#### UNITED STATES SHARE OF FOREIGN RESEARCH REACTOR PROJECTS (SEC. 12 (c))

The House bill and the Senate amendment contained a provision limiting the United States share of the cost of any one foreign research reactor project to \$350,000. The Senate amendment included the words "under this section". The House accepted this amended language. The inclusion of the words "under this section" makes explicit that the limitation of \$350,000 applies only to reactors furnished under section 12 and not to reactors which might be furnished under other authorizations in this or other act, such as the Asian Nuclear Center which will be carried out under funds made available from the Asian fund.

#### PUBLICIZING OF FOREIGN RESEARCH REACTOR PROJECTS (SEC. 12 (d))

The House bill and the Senate amendment contained a provision requiring that full publicity be given to United States assistance in the foreign research reactor projects program. Responsibility for publicity under the House bill and the Senate amendment was entrusted to the Director of the International Cooperation Administration, the Atomic Energy Commission, and "other United States departments and agencies". The committee of conference accepted a further Senate amendment which entrusts publicity to "the appropriate United States departments and agencies". Reorganization Plan No. 8 charges USIA with the primary responsibility for publicizing United States aid activities abroad. The new language is sufficiently broad to permit any agency deemed appropriate to publicize the assistance under this section.

#### AUTHORIZATION OF TRANSFER OF FUNDS FOR INTERNATIONAL EDUCATIONAL EXCHANGE (SEC. 13)

The Senate amendment contained a statement of the sense of Congress that \$11 million of the funds made available pursuant to the Mutual Security Act for fiscal 1957 be transferred at the discretion of the President to the Department of State to carry out international educational exchange activities. The House bill did not contain such a provision.

The managers on the part of the House accepted the Senate provision with an amendment stating that "not to exceed" such an amount is authorized to be transferred in order to make clear that the President has discretion as to the amount to be so used within the \$11-million limit. The provision gives the President complete discretion. He may use mutual security funds for international educational exchange purposes when,



in his judgment, such use deserves a higher priority than the uses for which the funds were originally authorized. In the judgment of the committee of conference, it is important, in view of the uncertainty of the present world situation, to provide this additional element of flexibility and the conference committee felt that most serious consideration should be given to increasing substantially the international educational exchange program. The authority contained in this section would make available additional dollars for international educational exchange and would complement the authorization contained in section 11 (a) making available additional foreign currencies for this purpose.

**POLICY STATEMENT ON ECONOMIC DEVELOPMENT  
(SEC. 14)**

The Senate amendment included a section expressing the sense of the Congress that the desirability of affirmatively promoting the economic development of underdeveloped countries be taken into account in the preparation of the mutual security program both as a means of effectively counteracting the increased political and economic emphasis of Soviet foreign policy and as a means of promoting American foreign policy objectives of political and economic self-determination and independence. The House bill contained no such provision.

The managers on the part of the House accepted the Senate language with an amendment striking out the word "more" in the phrase "the President should take more fully into account" etc., thus removing any implication that prior consideration had been insufficient.

JAS. P. RICHARDS,  
THOMAS S. GORDON,  
THOMAS E. MORGAN,  
JOHN M. VORYS,  
WALTER H. JUDD,

*Managers on the Part of the House.*

**SPECIAL ORDERS GRANTED**

By unanimous consent, permission to address the House following the legislative program and any special orders heretofore entered, was granted to Mr. MORRISON, for 1 hour, today.

**EXTENSION OF REMARKS**

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. MARSHALL and to include extraneous matter.

Mr. HERLONG and to include an editorial.

Mr. MORRISON and to include a letter from a constituent.

Mr. KILDAY and to include certain tables in remarks he expects to make today in the Committee of the Whole.

Mr. PRICE in two instances and to include extraneous matter.

Mr. JOHNSON of Wisconsin in two instances.

Mr. GENTRY and to include extraneous matter.

Mr. BEAMER.

Mr. SMITH of Wisconsin in three instances and to include extraneous matter.

Mr. JENKINS in three instances and to include extraneous matter.

Mr. BOW in three instances and to include extraneous matter.

Mr. ADAIR and to include an address by the Assistant Secretary of Agriculture.

Mr. HESELTON in three instances and to include extraneous matter.

Mr. TOLLEFSON in five instances and to include extraneous matter.

Mr. MULTER (at the request of Mr. TUMULTY) in three instances and to include extraneous matter.

Mr. WATTS and to include an article.

Mr. HYDE and to include an article by Dr. Joseph F. Thorning.

Mr. THOMPSON of Louisiana (at the request of Mr. PRIEST) and include a letter.

Mr. ELLIOTT to revise and extend the remarks he made in the Committee of the Whole on the bill H. R. 11695, and include extraneous matter and tables.

Mr. O'HARA of Illinois (at the request of Mr. PRICE) and include extraneous matter.

Mrs. GREEN of Oregon (at the request of Mr. PRICE) in two instances, in each to include extraneous matter.

Mr. DAWSON of Utah (at the request of Mr. HESTAND) in two instances, in each to include extraneous matter.

Mr. McCORMACK to revise and extend the remarks he made in the Committee of the Whole this afternoon and include extraneous matter and tables.

**SENATE BILLS REFERRED**

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3556. An act to amend Public Law 551, chapter 616, 83d Congress, 2d session; to the Committee on Interior and Insular Affairs.

S. 3658. An act to amend the act of May 11, 1938 (52 Stat. 347) so as to authorize, by agreement, the subsurface storage of oil or gas in restricted Indian lands, tribal or allotted; to the Committee on Interior and Insular Affairs.

S. 3926. An act to authorize the Secretary of the Interior to charge for special services to purchasers of timber from Indian lands; to the Committee on Interior and Insular Affairs.

**ENROLLED BILLS SIGNED**

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6218. An act to authorize payment by the Federal Government of the cost of making certain studies necessary to assist the Menominee Tribe of Indians to prepare for the termination of Federal supervision;

H. R. 9280. An act relating to the plan for control of the property of the Menominee Indian Tribe, and for other purposes; and

H. R. 9974. An act to amend section 1 of the act entitled "An act to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin," approved March 28, 1908, as amended.

**ADJOURNMENT**

Mrs. PFOST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 6 minutes p. m.) the House adjourned until Monday, July 9, 1956, at 12 o'clock noon.

**EXECUTIVE COMMUNICATIONS,  
ETC.**

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2048. A letter from the chairman, National Labor Relations Board, transmitting the 20th Annual Report of the National Labor Relations Board for the fiscal year ended June 30, 1955, pursuant to section 3 (c) of the Labor Management Relations Act, 1947; to the Committee on Education and Labor.

2049. A letter from the chairman, National Labor Relations Board, transmitting a list containing the names, salaries, and duties of all employees and officers in the employ or under the supervision of the National Labor Relations Board for the year ended June 30, 1955, pursuant to section 3 (c) of the Labor Management Relations Act, 1947; to the Committee on Education and Labor.

2050. A letter from the director, Bureau of the Budget, Executive Office of the President, transmitting a plan for works of improvement which has been prepared, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, Public Law 566, 83d Congress, and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

**REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS**

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee on Appropriations. H. R. 12138. A bill making supplemental appropriations for the fiscal year ending June 30, 1957, and for other purposes; without amendment (Rept. No. 2638). Referred to the Committee of the Whole House on the State of the Union.

Mr. BUCKLEY: Committee on Public Works. H. R. 12080. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 2639). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 11833. A bill to amend the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938 to provide for a Great Plains conservation program; without amendment (Rept. No. 2640). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee of conference. H. R. 9893. A bill to authorize certain construction at military installations, and for other purposes (Rept. No. 2641). Ordered to be printed.

Mr. BONNER: Committee on Merchant Marine and Fisheries. House Joint Resolution 614. Joint resolution to authorize the construction of two prototype ships, and the conversion of one Liberty ship, by the Maritime Administration, Department of Commerce; with amendment (Rept. No. 2642).









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued  
For actions of

July 10, 1956  
July 9, 1956  
84th-2nd, No. 115

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HIGHLIGHTS: Both Houses agreed to conference report on mutual security authorization bill. Ready for President. Both Houses agreed to conference report on military construction bill. Ready for President. House began debate on mutual security appropriation bill. Senate committee reported bills to: Extend time for study of employee security program. Provide study of foreign assistance program. Extend law for amortization of grain storage facilities. Senate conferees were appointed on bill to increase CCC borrowing power. Senate agreed to House amendment to bill to extend Penalty Mail Act to Extension Directors and Experiment Stations. Ready for President.

## HOUSE

1. FOREIGN AID. Both Houses agreed to the conference report on H. R. 11356, the mutual security authorization bill. This bill is now ready for the President. pp. 10991, 11021

Began debate on H. R. 12130, the mutual security appropriation bill. p. 11049

2. MILITARY CONSTRUCTION; SURPLUS COMMODITIES. Both Houses agreed to the conference report on H. R. 9893, to authorize certain construction at military installations. The bill authorizes the Secretary of Defense to use for family housing construction in foreign countries, foreign currencies not to exceed \$250 million acquired through provisions of the Agricultural Trade Development and Assistance Act or other commodity transactions of CCC. This bill is now ready for the President. pp. 11010, 11015, 11025

## SENATE

3. FORESTRY. The Government Operations Committee reported with amendment H. R. 8817, to provide for the conveyance of certain property of the U. S. to the city of Corbin, Ky. (S. Rept. 2430). p. 10929

4. EMPLOYEE SECURITY. The Rules and Administration Committee reported with amendment S. Res. 294, to extend further the time for a study of the Government employees security program. p. 10929 (no written report)
5. FOREIGN AID. The Rules and Administration Committee reported with amendment S. Res. 285, to provide for studies to be made regarding foreign assistance by the U. S. (S. Rept. 2434). p. 10929  
Sen. Smith, Me., inserted a newspaper editorial opposing further aid to Yugoslavia. p. 11012
6. WATERSHEDS. Received from the Budget Bureau a plan for works of improvement of watershed projects; to Agriculture and Forestry Committee. p. 10930
7. FCA AUDIT. Received from the Comptroller General an audit report of the Farm Credit Administration for the fiscal year ending June 30, 1955; to Government Operations Committee. p. 10931
8. ELECTRIFICATION. Sen. Wiley inserted resolutions of the Dairvland Power Cooperative relating to various aspects of electrification and public power. p. 10931  
Sen. Neuberger criticized opposition to the construction of the Hells Canyon dam, and inserted several articles on the matter. p. 10953  
Sens. Gore and Goldwater discussed contributions made to the National Hells Canyon Assoc. p. 10956
9. SOIL BANK. Sen. Humphrey inserted a Farmers Union letter urging that the soil-bank program be expanded and liberalized because of the recent drought in certain areas. p. 10932
10. TAXATION. The Finance Committee reported with amendments H. R. 9083, to amend the Internal Revenue Code of 1954 so as to extend the law regarding amortization of grain-storage facilities (S. Rept. 2438). p. 10932
11. CCC. Senate conferees were appointed on S. 3820, to increase the borrowing power of the CCC. House conferees have not yet been appointed. p. 10956
12. PENALTY MAIL. Agreed to the House amendments to S. 1871, which extend the Penalty Mail Act provisions to Extension Directors and Experiment Stations. This bill will now be sent to the President. p. 10994
13. HOUSING. Sen. Sparkman and others urged passage of housing legislation during this session of Congress. p. 11013
14. EDUCATION. Sen. Humphrey claimed the Administration had not adequately supported passage of legislation for Federal aid to education. p. 11015
15. TREATIES. The Foreign Relations Committee submitted a report on the following treaties: (Ex. Rept. 9), p. 10933 Treaty of amity, economic relations, and consular rights between the U. S. and Iran.  
Treaty of friendship, commerce, and navigation with Nicaragua;  
Treaty of friendship, commerce, and navigation between the U. S. and the Netherlands.
16. LEGISLATIVE PROGRAM. Sen. Johnson announced that the following measures will be considered Wed., July 11: International Wheat Agreement; S. Res. 285, to study foreign aid program; H. R. 8817, for transfer of land to Corbin, Ky.; and S. Res. 294, extending time for study of employee security program. p. 11006



The PRESIDING OFFICER (Mr. MANSFIELD in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 3386) to amend the joint resolution entitled "Joint resolution to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt," approved July 28, 1955, which was on page 1, line 8 to strike out "\$461,000" and insert "\$100,000".

Mr. O'MAHONEY. Mr. President, I move that the Senate disagree to the House amendment, request a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. DANIEL, and Mr. WATKINS conferees on the part of the Senate.

#### TERMINATION OF INDIAN CLAIMS COMMISSION

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5566) to terminate the existence of the Indian Claims Commission, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. O'MAHONEY. Mr. President, I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. ANDERSON, Mr. NEUBERGER, Mr. WATKINS, and Mr. GOLDWATER conferees on the part of the Senate.

#### NARCOTIC CONTROL ACT OF 1956— CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11619) to amend the Internal Revenue Code of 1954 and the Narcotic Drugs Import and Export Act to provide for a more effective control of narcotic drugs and marihuana, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of Friday, June 29, 1956, p. 10293-10297, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. O'MAHONEY. Mr. President, I trust that the Senate will agree to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. WELKER. Mr. President, having worked on the Committee on the Judiciary with the great and outstanding Senator from Texas [Mr. DANIEL] and the distinguished Senator from Wyoming [Mr. O'MAHONEY], let me pay tribute to those two Senators for the outstanding work they did, in which I had a small part, on the antinarcotics bill. America will be stronger as the result of the fine work done by the committee; and I know that, as a result of the adoption of the conference report, there is not a narcotic peddler or a heroin peddler in this Nation who is not afraid of his future.

In my judgment the most outstanding feature of the bill as agreed to in conference is the provision which makes it discretionary on the part of a jury to impose the death penalty on a person over the age of 18 who sells heroin to anyone under the age of 18.

Heroin is the most dreaded drug known to mankind. Those who are addicted to its use are incurable. Never in the history of our country has a heroin addict been cured. I think the Senator from Texas [Mr. DANIEL], the chairman of the subcommittee, and the Senator from Wyoming [Mr. O'MAHONEY] deserve outstanding credit for their splendid work.

Mr. O'MAHONEY. Mr. President, the Senator from Idaho is very kind and gracious. On behalf of the Senator from Texas and myself, I thank him for his kind words. I want it to be understood, however, that the Senator from Idaho also labored very diligently to secure the enactment of the measure.

Furthermore, I see the distinguished Senator from Maine [Mr. PAYNE] upon the floor. The Senator from Maine introduced one of the first bills to bring the arm of the law into a position to control and, if possible, to suppress the narcotics traffic. The Senator from Maine also performed yeoman service in bringing about this result, which all of us on the Subcommittee on Narcotics and on the Committee on the Judiciary itself believe will be of untold benefit to the rising generation in America.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### MUTUAL SECURITY ACT OF 1956— CONFERENCE REPORT

Mr. GEORGE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 7, 1956, pp. 10918-10922, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GEORGE. Mr. President, I have prepared a brief statement and, unless some Senator wishes to ask some questions about the report, I shall ask unanimous consent to have the statement printed in the RECORD, together with two supplementary statements.

First, I ask unanimous consent to have printed at this point in the RECORD a statement concerning the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR GEORGE

The conference report on H. R. 11356, the mutual security bill, carries a total authorization of \$3,927,575,000. This is \$382,500,000 less than the Senate bill and \$360,100,000 more than the House bill. On most money items, the conferees split the difference between the two Houses.

In general, the Senate has cause to be satisfied with the results of the conference. Personally, I would have preferred a higher authorization, particularly for military assistance, but the House conferees steadfastly refused to meet us more than halfway. In its substantive provisions, the bill represents a fair compromise of the differences between the two Houses. It is a good bill, and one which goes pretty far toward meeting the Senate's point of view in matters other than the amounts authorized.

The two biggest items of difference had to do with military assistance and development assistance. For military assistance, the House had authorized \$1,925 million, of which not less than \$48 million was for Spain and not more than \$402 million was for Europe. The Senate had authorized \$925 million plus \$1,600 million more replacing American equipment and materiel used in the military assistance program. The conferees agreed on a lump sum of \$2,225 million without earmarking any for Spain or Europe. In regard to Spain, it is the intention of the conferees that the full amount programmed for that country be furnished. In regard to Europe, the Senate conferees were most insistent that there be no limitation which might interfere with our participation in NATO, and the House conferees receded on this point.

The provisions of the two bills concerning development assistance were rather more complicated. The House had authorized \$243 million in a lump sum, subject to a number of conditions, and had, at the same time, repealed the unappropriated authorization of \$100 million remaining from last year in the President's Fund for Asian Economic Development. The Senate had likewise authorized \$243 million, but had divided it among areas and had attached somewhat different conditions from those in the House bill. The



Senate had also left undisturbed the Asian Economic Development Fund.

The conference committee agreed on a figure of \$293 million for development assistance. This has the effect of reauthorizing half of the \$100 million remaining in the Asian development fund. That fund itself is repealed.

The House had specified that all development assistance be in the form of loans, except when it was used for regional projects or to finance the sale for foreign currency of surplus agricultural commodities. The Senate had required that 75 percent of development assistance be on a loan basis, with the same two exceptions. The conferees agreed on a figure of 80 percent. The conferees also agreed to the House limitation of 25 percent of development assistance in any one country, but with an amendment to make it clear that a country's proportionate share of assistance to regional projects is not to be counted against this limitation. The increase in the total amount from \$243 million in the House bill to \$293 million in the conference report makes it possible for this limitation to be in the law without seriously interfering with any country program.

The conferees also agreed to a House provision making development assistance funds available until June 30, 1960.

The conferees also agreed to delete a House provision limiting development assistance to countries who had signed agreements with the United States for the participation of private enterprise in furthering the policies of the Mutual Security Act. This was one of the most contentious and most important points in conference. There is already in the law, in section 413, adequate provision for the participation of private enterprise, and certainly the letter and spirit of that provision should be followed. But to have limited assistance to countries which had signed written agreements on this point would have been self-defeating.

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement explaining in more detail the actions of the conference and also a table showing the amounts requested by the administration, the amounts authorized by the House, the amounts authorized by the Senate, and the amounts approved by the committee of conference.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

#### OTHER ACTIONS OF MUTUAL SECURITY CONFEREES

Statement of policy: In the statement of policy of the bill, there was added in the Senate an amendment sponsored by the distinguished Senator from Wyoming [Mr. O'MAHONEY] having to do with the development of airpower and the construction of nuclear weapons. This was deleted by the conferees.

The statement of policy in the Senate bill also contained a statement that assistance to the newly independent states in Africa "should be furnished in the same manner as in the case of other independent states." This was likewise deleted by the conferees on the grounds that it was unnecessary. The conferees expect aid to independent states in Africa and elsewhere to be administered in this manner in any case.

Latin America: The Senate bill contained an amendment sponsored on the floor by the Senator from Florida [Mr. SMATHERS] creating an economic development fund of \$35 million for Latin America. The conferees were most sympathetic to the purpose of the amendment, but they were reluctant to create a new regional fund. (In this connection, it should be noted that in other actions, the conferees repealed the Asian

fund in existing law and struck out the Middle East fund in the Senate bill; so that there are now no regional funds of this character.) In the conference report, the authorization of defense support for Latin America is increased by \$15 million (from \$37 million to \$52 million), and language is added making that \$15 million available until expended for the purposes stated in the Smathers amendment—namely, health, education, and sanitation projects. The conferees added a further purpose—that is, land resettlement programs which will contribute to the resettlement of foreign and native migrants. As in the Smathers amendment, 75 percent of these funds are to be used on a loan basis. In view of the reduction of the total amount from \$35 million to \$15 million, however, the conferees deleted the provision of the Smathers amendment limiting the amount which can be used in any one country to 25 percent of the total.

In connection with Latin America, I should also point out that it is the intention of the conferees that \$10 million should be used for Guatemala.

Yugoslavia: The provisions on aid to Yugoslavia were retained in the bill substantially in the form approved by the Senate, including the language which was added by the Senate on the motion of the able Senator from Wyoming [Mr. O'MAHONEY]. The Senate will recall that the O'Mahoney amendment required the President to find, among other things, that "Yugoslavia does not adhere to any policy for the Communist conquest of the world." The conferees changed that to read that "Yugoslavia is not participating in any policy or program for the Communist conquest of the world."

Enslaved peoples: The Senate added 2 amendments, 1 sponsored by the senior Senator from Illinois [Mr. DOUGLAS] and 1 sponsored by the junior Senator from Illinois [Mr. DIRKSEN], each having to do with keeping alive the hope of freedom among enslaved peoples. The Dirksen amendment authorized an appropriation of \$5 million for this purpose and also increased from \$50 million to \$55 million the amount of funds available to the President on an unvouchered basis. The Douglas amendment authorized use of \$20 million otherwise authorized by the act as well as the use of foreign currencies.

The conferees combined these two amendments in a form which authorizes the use of the President's special fund under section 401 "for programs of information, relief, exchange of persons, education, and resettlement, to encourage the hopes and aspirations of peoples who have been enslaved by communism." No additional funds are authorized for this purpose, nor are any funds specifically earmarked. The President has available a separate authorization of \$100 million under section 401 (b) plus authority under section 401 (a) to use up to \$150 million of funds otherwise made available under the act. This is certainly ample money for the purpose.

Investigate guaranties: The House and the Senate differed in two respects in regard to the investment guaranty program. The House had directed that this program be administered through the International Cooperation Administration, while the Senate had left this in the discretion of the President. The conferees agreed to administration through the agency primarily responsible for administering nonmilitary assistance. This is now, of course, ICA.

The House had also expanded the coverage of investment guaranties to include losses from war, revolution, or insurrection. The Senate conferees agreed to include losses from war, but would not agree to include losses from revolution or insurrection and the House receded on those points.

Contract authority: The Senate bill contained a second amendment sponsored by

the junior Senator from Illinois [Mr. DIRKSEN] authorizing the granting of contract authority in appropriation acts so that obligations may be created in advance of appropriations. This amendment was retained in conference.

Use of foreign currency: The Senate bill had two amendments regarding the use of foreign currencies accruing as the result of sales of surplus agricultural commodities under title I of Public Law 480, the Agricultural Trade Development and Assistance Act. One of these amendments, sponsored by the distinguished Senator from Arkansas [Mr. FULBRIGHT], earmarked not less than 5 percent of these currencies for the educational exchange program. It further provided that in the allocation of funds as among the various purposes set forth in Public Law 480, a special effort was to be made to provide for the exchange program in regard to countries where adequate funds for that program were not otherwise available and countries where agreements could be negotiated to establish a fund with interest and principal available over a period of years for the exchange program.

The conferees deleted the requirement that at least 5 percent of all Public Law 480 currencies be used for this purpose, but they retained the statutory directive that a special effort be made to provide for the exchange program, particularly with regard to the 2 classes of countries to which I have referred. The conferees were impressed with the position of the executive branch that a rigid 5 percent requirement would be difficult to administer. The conferees are, however, strongly of the opinion that there should be a very substantial increase in the use of Public Law 480 currency for the exchange program. During the course of its hearings on the mutual security bill, the Foreign Relations Committee received information that only eight-tenths of 1 percent of Public Law 480 currency has heretofore been used for this purpose. The conferees expect the administration to take seriously the new statement in the law that a special effort be made to provide for this program. When the Foreign Relations Committee holds hearings on this matter next year, it expects to see a very much higher figure than eight-tenths of 1 percent used for this purpose.

The second amendment having to do with Public Law 480 currency was sponsored by the distinguished Senator from Minnesota [Mr. HUMPHREY] and authorized the use of up to \$5 million a year of such currency for financing the translation, publication, and distribution of books and periodicals abroad. This amendment was retained in conference as it passed the Senate.

Obligational authority: The Senate bill limited the carryover of unobligated funds to \$200 million plus balances in the Asian development fund and in the appropriation for Palestine refugees. The House bill put no limitation on the authorized carryover. The Senate conferees receded on this point.

The Senate conferees also receded in regard to a provision in the House bill, not found in the Senate bill, authorizing a 15-month availability for 25 percent of the funds for defense support, technical assistance, and assistance to joint control areas. In both instances, the Senate conferees acted with some reluctance. The House felt rather strongly on these points, and argued that a too strict limitation on the availability of funds is more likely to result in waste than economy.

Food and raw materials reserve: The Senate bill contained an amendment sponsored by the Senator from Minnesota [Mr. HUMPHREY] that the President should explore with other nations the establishment of an international food and raw materials reserve. This amendment was based on Senate Resolution 85 and Senate Resolution 86 upon which hearings have been held by a subcommittee of the Foreign Relations Com-



mittee. These Senate resolutions were intended to convey to the President advice of the Senate's favorable view toward a world food and raw materials reserve. They were drafted as Senate resolutions because section 2 of article II of the Constitution provides that the Senate alone shall give advice and consent to treaties. The Senate's adoption of this provision of the bill has made clear its views and wishes in the matter, and the objectives of the Senate resolutions have been achieved. The House conferees felt that if this was a matter to be acted upon by the House, it should go to that body in a form permitting separate consideration. The Senate conferees therefore feel justified in recommending that the Senate recede.

Transfer to exchange program: The Senate bill also contained an amendment, spon-

sored by the Senator from Arkansas [Mr. FULBRIGHT] expressing the sense of Congress that \$11 million of mutual security funds should be transferred, in the discretion of the President, to the Department of State for international educational exchange activities. The purpose of this amendment, as explained in the Senate committee report on the bill, is to provide the full \$31 million recommended for the exchange program in fiscal 1957 by the Advisory Commission on Educational Exchange. The budget request for this purpose was only \$20 million, all of which was appropriated by Congress; so \$11 million more is necessary.

The conferees agreed to the amendment, with an amendment adding the words "not to exceed" before the sum of \$11 million. This simply makes it conform to other items

in the bill, all of which are stated in terms of "not to exceed" a given amount. The amendment makes the transfer authority discretionary with the President, but the conferees are strongly of the opinion that he should use the authority to the full extent of \$11 million.

Emphasis of future programs: Finally, Mr. President, the Senate bill contained an amendment sponsored by the Senator from Minnesota [Mr. HUMPHREY] expressing the sense of Congress that in the preparation of the mutual security program, the President should take fully into account "the desirability of affirmatively promoting the economic development of underdeveloped countries." With one minor technical change, this amendment was approved by the conferees.

### Mutual security authorizations

	Administration request	House	Senate	Conference
<b>TITLE I</b>				
Military assistance.....	\$2,925,000,000	\$1,925,000,000	\$925,000,000	\$2,225,000,000
Spain.....	(1)	(48,000,000)	(1)	
Other European countries.....	(1)	(402,000,000)	(1)	
Replacement purchases for United States forces.....	(1)	(1)	1,600,000,000	
Subtotal.....	2,925,000,000	1,925,000,000	2,525,000,000	2,225,000,000
Defense support:				
Europe.....	78,700,000	63,700,000	78,700,000	71,200,000
Near East and Africa.....	170,000,000	170,000,000	170,000,000	170,000,000
Asia.....	882,000,000	882,000,000	882,000,000	882,000,000
Latin America.....		37,000,000	37,000,000	52,000,000
Subtotal.....	1,130,700,000	1,152,700,000	1,167,700,000	1,175,200,000
Total, title I.....	4,055,700,000	3,077,700,000	3,692,700,000	3,400,200,000
<b>TITLE II</b>				
Development assistance:				
Near East and Africa.....	63,000,000	243,000,000	63,000,000	293,000,000
Asia.....	80,000,000		80,000,000	
Latin America.....	27,000,000			
Total, title II.....	170,000,000	243,000,000	143,000,000	293,000,000
<b>TITLE III</b>				
Technical cooperation:				
Bilateral.....	140,500,000	140,500,000	140,500,000	140,500,000
Multilateral:				
U. N.....	15,500,000	15,500,000	15,500,000	15,500,000
OAS.....	1,500,000	1,500,000	1,500,000	1,500,000
Total, title III.....	157,500,000	157,500,000	157,500,000	157,500,000
<b>TITLE IV</b>				
Other programs:				
Special fund.....	100,000,000	100,000,000	100,000,000	100,000,000
Encouragement of enslaved peoples.....			5,000,000	
Joint control areas.....	12,200,000	12,200,000	12,200,000	12,200,000
U. N. refugee fund.....	2,300,000	2,300,000	2,300,000	2,300,000
Escapees.....	7,000,000	7,000,000	7,000,000	7,000,000
U. N. children's fund.....	10,000,000	10,000,000	10,000,000	10,000,000
Ocean freight:				
(1) Voluntary agencies.....	1,400,000	1,400,000	3,000,000	3,000,000
(2) Surplus agricultural commodities.....	14,000,000	14,000,000		
Control Act expenses.....	1,175,000	1,175,000	1,175,000	1,175,000
Administrative expenses.....	35,250,000	35,250,000	35,250,000	35,250,000
Special authorization, Middle East and Africa.....	100,000,000		100,000,000	
Latin American Economic Development Fund.....			35,000,000	
Foreign reactor projects.....	5,950,000	5,950,000	5,950,000	5,950,000
Total, title IV.....	289,275,000	189,275,000	316,875,000	176,875,000
Total.....	4,672,475,000	3,667,475,000	4,310,075,000	4,027,575,000
Deduct: Repeal of unappropriated authorization, President's fund for Asian economic development.....		-100,000,000		-100,000,000
Net total.....	4,672,475,000	3,567,475,000	4,310,075,000	3,927,575,000

<sup>1</sup> Not separately identified.

NOTE.—The conference agreement: \$360,100,000 more than House bill, \$382,500,000 less than Senate bill.

NOTE.—The House bill also authorizes an increase from \$2 million to \$3 million in the ceiling on annual United States contributions to the Food and Agriculture Organ-

ization. The Senate bill likewise authorizes the increase, with a proviso that United States contributions cannot exceed 31.5 percent of total contributions.

The House bill authorizes appropriations "of such sums as may be necessary" for State Department administrative expenses in connection with the act. The Senate bill authorizes not to exceed \$7 million a year for this purpose.



Mr. BENNETT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement I have prepared in connection with the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BENNETT

I desire to make a brief statement with regard to the conference report on mutual security. I supported the committee's recommendations when the Senate considered this measure. I did so out of my convictions that the money being authorized would be spent in the national interest.

I was mindful that the bill was primarily one of military assistance. Fifty-six percent of the money is for direct military assistance. Of the \$2.2 billion for direct military assistance, the great preponderance will be spent to replace equipment and materials of the United States Armed Forces which have been used for military assistance to friendly nations. Much of the remainder will be spent to maintain the armed forces of Korea, NATO, and Formosa, and to supply advanced weapons to our allies. I feel that American people are getting their money's worth out of this program. It should be remembered that while in 1954 it cost our Nation about \$5,900 to maintain one of our own soldiers, it cost us only \$747 to maintain an allied soldier. It is because of the favorable economics of this military assistance to our allies that we have been able to maintain NATO. Had America tried to maintain NATO alone, it could have ruined our Nation. It has been the combination of NATO and our air-nuclear power which have kept the Russians at bay in recent years, and, if we have thereby spared the world and ourselves the blood and anguish of war, the money has been well spent.

I am one of those who believe it was our determination to "stay with it" in Europe and elsewhere which paved the way for the relaxation of Soviet control over her satellites. Tito could not have stood alone if it had not been for NATO and the military assistance he has received from the Western World. Now Mr. President, we see the rumblings of other satellite countries—rumblings which have yet to spend themselves. Hungary has just ventured to serve notice of her thirst for more freedom. Poland has written her determination in the blood of patriots. How can we back away now when we may be on the threshold of an era of relative insecurity behind the Iron Curtain. To back away now would break the back of the resistance movements.

The stirrings of the satellites may be due to many things, and the Soviets may have some schemes at work, but I am sure that had America abandoned Europe to the Soviets in the postwar world there would be no free Europe, nor would there be hope for that freedom to be rekindled behind the Iron Curtain. If we abandon Europe now, these stirrings will cease.

If America were to abandon the leadership of the free world and isolate itself, Russia would then control 94 percent of the world's population and stand astride the great bulk of the earth's resources. Those who would so quickly leave our friends to sink or swim should remember that the United States obtains 100 percent of its natural rubber abroad, 95 percent of its manganese, 99 percent of its chromite, 72 percent of its tungsten, 100 percent of its tin, and 92 percent of its cobalt. The senior Senator from Georgia was correct when he said that if we retreat to isolationism we will trade as traders at sufferance and as tenants.

Over a year ago in Utah I spoke on Soviet power. My speech was given following the

Quemoy-Matsu crisis. It was a spring in which many foresaw war. I said there would be no war in the foreseeable future. I said further that internal politics in the Soviet Union would keep the Russian bear off balance and that the problem of succession following Stalin's death would not be conducive to the Soviet's launching a struggle for survival. I cite this talk not because it was singular but because it reflected the optimism some of us felt, a feeling that if the free world lived up to its obligations, time would work with us.

Students of tyranny say the moment of greatest danger for a dictatorship is when reforms are instituted and in the matter of succession to leadership. The Soviets are now passing through the throes of those problems. The Russians are still faced with striking disparity between their progress in such fields as air power and consumer goods. The stark contrast between their accomplishments for war and their standards of living will continue to plague them. The Soviet citizen who gazes in awe at May-day air power demonstrations may feel for a moment a sense of national pride and a sense of security, but almost as the sounds of these planes fade away he is left to face his role in a society which depresses his standard of living to levels unheard of here. You can't eat engine thrust as you can't wear guided missiles. The Soviet people may never revolt but the pressure will be felt by their leaders just as it has been felt elsewhere behind the Iron Curtain.

I have no illusions about being able to buy friends, and I did not support this measure for this reason. I am supporting it because it is in the interests of our national security and because I believe the benefits America derives from the mutual-security program make the expenditures worthwhile and sound. I do not say, of course, every project or undertaking is sound. I am sure that could not be so in a program of this scope. But I know that because of this program Turkey is able to maintain more divisions in being than we have in our own country, and that this is also true for the Republic of Korea. The same stiffening of the free world at other points along the Soviet periphery has taken place as a result of our assistance. The Soviet shift to an economic instead of a military offensive is due in part to the armed strength of the free world. We must not falter now—now that we have successfully turned the Soviets from military adventures to economic ones. The cacophony of competitive trade in the world market place is better to hear than the rattling of swords. The free world is stronger economically than the Soviet bloc, and it will remain strong if we can meet this new challenge successfully.

Because they seem appropriate, I read in closing the words of a 19th century King of Siam who found the world a puzzlement:

"Shall I join with other nations in alliance?  
If allies are weak am I not best alone?

If allies are strong with power to protect me,  
Might they not protect me out of all I own?

Is a danger to be trusting one another  
One will seldom want to do what other wishes.

But unless someday somebody trust somebody  
There be nothing left on earth excepting fishes."

These words from the King and I catch the spirit of uncertainty abroad in much of the world today. As the leader of the free world the United States can set a tone for the non-Communist world which would resolve such puzzlements and give to all mutual security.

I urge the Senate to adopt the conference report on mutual security with the hope that we can bring the appropriations more nearly to the level required.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The question is on agreeing to the conference report. The report was agreed to.

REIMBURSEMENT OF POST OFFICE DEPARTMENT FOR THE TRANSMISSION OF OFFICIAL GOVERNMENT-MAIL MATTER

Mr. JOHNSTON of South Carolina. Mr. President, I ask the Chair to lay before the Senate the amendments of the House of Representatives to Senate bill 1871. I have cleared the matter with the majority and minority leaders.

The House made some minor amendments to the bill as passed by the Senate. I ask that the House amendments be now considered.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1871) to amend the act entitled "An act to reimburse the Post Office Department for the transmission of official Government-mail matter," approved August 15, 1953 (67 Stat. 614), and for other purposes, which were to strike out all after the enacting clause and insert:

That the act entitled "An act to reimburse the Post Office Department for the transmission of official Government-mail matter," approved August 15, 1953 (67 Stat. 614; Public Law 286, 83d Cong.), is amended by adding at the end thereof the following new sections:

"Sec. 3. There shall be paid to the Post Office Department, as postal revenue, out of any appropriations or funds available to each department, agency, establishment, or Government corporation concerned and as a necessary expense of such appropriations and funds and of the activities concerned, the equivalent amount of postage or registry fees, as determined pursuant to regulations prescribed by the Postmaster General, for matter sent in the mails, without prepayment of postage or without prepayment of registry fees, by or to such department, agency, establishment, or corporation, for which the Post Office Department does not otherwise receive compensation, under authority of the following provisions of law:

"(1) Section 3932 of the Revised Statutes (39 U. S. C., sec. 385);

"(2) The proviso added by section 2 of the act of May 1, 1928 (45 Stat. 469; 39 U. S. C., sec. 321a), to section 29 of the act of March 3, 1879, as amended (20 Stat. 362; 23 Stat. 153; 28 Stat. 412; 29 Stat. 590);

"(3) Section 10 of title 13 of the United States Code;

"(4) The second sentence of section 306 of the Penalty Mail Act of 1943 (62 Stat. 1049; 39 U. S. C., sec. 321n); and

"(5) Section 345 of the Immigration and Nationality Act (66 Stat. 266; 8 U. S. C., sec. 1456).

"Sec. 4. There shall be paid to the Post Office Department, as postal revenue, out of appropriations made to the Department of Agriculture for such purpose, the equivalent amount of postage, as determined pursuant to regulations prescribed by the Postmaster General, for matter sent in the mails without prepayment of postage under authority of the following provisions of law:

"(1) Section 6 of the act entitled 'An act to establish agricultural experiment stations in connection with the colleges established in the several States under the provisions of an act approved July 2, 1862, and of the acts supplementary thereto,' approved March



# House of Representatives

MONDAY, JULY 9, 1956

The House met at 12 o'clock noon.

Rev. William L. Montgomery, assistant minister, Takoma Park Presbyterian Church, Takoma Park, Md., offered the following prayer:

Our Father, as we pray for the Members of this body, its officers, and all those who share in its varied labors, we remember Thy love for Thy people.

We know many times we have failed Thee. We have let our own desires run rampant, when it should have been Thy will being done. Teach us Thy will. Give us the strength and courage to do it.

We need Thy guidance in the trials of our labors. Refresh us in our weariness. We seek Thy comfort in times of sickness and sorrow. If there be one at this moment who needs Thy comfort and love, may it rest and abide with him.

We know our failings. We know in the heat and haste of debate, our words and actions often fail Thee. When we fail Thee, we fail those we love and those we represent. May we remember that Thou art never in a hurry. Give us the inner peace of knowing the wisdom of patience and understanding.

Remove the narrowness, the conceit, and the falseness in our lives. We ask Thee to cast from us bigotry and prejudice. We need to replace them with humility, compassion, and love.

Our God, we ask that this may be a good day with much done. We ask through Thy witness that it may be done well. These things we ask through Christ, who gives us hope and renewed daily strength. Amen.

## THE JOURNAL

The Journal of the proceedings of Saturday, July 7, 1956, was read and approved.

## MUTUAL SECURITY ACT OF 1954

Mr. RICHARDS. Mr. Speaker, I call up the conference report on the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 7, 1956.)

Mr. WALTER. Mr. Speaker, I wish to congratulate the House conferees on their splendid work on this legislation and particularly on their success in in-

cluding in the conference report an amendment submitted in the other body by the junior Senator of Florida, Mr. SMATHERS, with an amendment which, if enacted into law, would do more to relieve pressure on our immigration quotas than anything we can conscientiously do unless we want to let down the bars and open the floodgates.

As many of my colleagues in the House know, I have had some responsibility in erecting in Brussels, Belgium, in November 1951, the Intergovernmental Committee for European Migration.

Later this year, probably before the end of September, this organization would look with pride on its achievements when the 500,000th migrant will be moved from Europe to overseas lands where new opportunities permit to make a better livelihood and to bring up the migrant's children away from the war-ravaged, overcrowded countries in Europe.

It is good to see that ICEM which had 16 nations as its members at the start, has grown into an efficiently functioning organization with a membership of 26 independent nations. We keep the committee outside of the United Nations in order to prevent any Soviet interference and we excluded from it any nation under Communist domination.

Under the amendment now before the House, it will be possible to undertake a determined and sustained effort designed to explore and open up new vast areas of South America for the benefit of European migrants who should be resettled in larger numbers on farmlands and not in congested industrial areas.

To bring the unskilled surplus European manpower and families to unsettled lands where they could engage in agriculture, would serve a double purpose. In addition to providing the migrants with new opportunities, it will increase food production for the ever-hungry and now increasingly hungrier world.

The present world immigration-emigration picture is not healthy, and it is fraught with dangers. While skilled migrants—from college professors and atomic scientists to automobile mechanics and welders—represent coveted immigration material, the unskilled or semiskilled farmers and agricultural laborers are in vain looking for resettlement opportunities.

The pressure on United States immigration quotas is to a great extent attributable to the fact that the vast unsettled territories of Central and South Africa remain inaccessible for people who intend to engage in agricultural pursuits.

At the same time, several countries of Central and South America are in vain seeking to obtain outside assistance in

their effort to provide employment for native unskilled laborers, mostly Indians.

In connection with current efforts to modernize the economy of undeveloped and underdeveloped countries of Central and South America, it is most desirable to undertake a determined and sustained action designed to open up new areas for the benefit of European, Oriental, and native migrants, who should be resettled in large numbers on farmlands and not in congested areas of industrialized countries.

In Asia—overcrowded Okinawa, Japan, and the Philippines—and in Europe—Italy, the Netherlands, Germany, Spain, Portugal, and Greece—face the urgent need of securing sustained annual emigration of large numbers of farmers and agricultural workers who cannot be absorbed in the present economies because of the lack of land available for agriculture.

The full value of United States economic assistance to these countries in recent years cannot be achieved unless an effort is made to assist these governments to place their agricultural emigrants abroad. The success of the present efforts of these governments to develop internal economic and political stability depend in large measure on the volume of annual emigration that can be achieved.

In the immigrant-receiving countries, particularly in the Argentine, Brazil, Chile, Colombia, Costa Rica, and Venezuela, the increase of food production is an important factor in economic development.

Both the emigrant-sending and the immigrant-receiving countries, in their own respective interests, are seeking to resettle the surplus agricultural workers on the land available in Latin America.

Such resettlement calls for skillful planning and adequate promotional capital. The emigration countries in Europe are prepared to advance one-third of the required capital and the immigration countries in Latin America the second third in the form of land, local financial farm credits, and limited public facilities and services. The final third in initial capital requirements must be sought from external sources in the form of bank loans for the purchase of equipment and other expenditures in foreign currencies or of limited grant expendable capital which may provide the basis for short or long term external credits.

Experience in land settlement to date in Latin America indicates that the planning and management of specific land settlement projects open to both European and native settlers may best be placed in semipublic and private corporate bodies, chartered under the laws of the countries in which settlement takes place, in which the different sources of



capital and credit are appropriately and proportionately represented. As individual settlers begin to repay their loans after 3 to 5 years, the management body can then be transformed into a more permanent form of farmer cooperative.

What is needed in the first instance is a limited amount of initial capital to bring the other available resources into play for application to specific soundly planned projects in carefully selected areas, where individual farm settlers can have reasonable prospects because of favorable market and other conditions to earn a livelihood and repay their loans within a period of 10 years.

The United States financial assistance envisaged in the bill now before the House will not be administered by the Intergovernmental Committee for European Migration. I do not believe that United States aid extended to countries of South America should lose its identity and be subject to possible mismanagement by international staffs. I think that the purpose would be infinitely better served if financial aid extended by the United States is administered in direct cooperation between the United States and each of the countries concerned. All planning would be subject to United States approval, but for ICEM the important task of assisting in the selection of migrants in their screening, in their training, and in their transportation, will, of course, remain.

I have just been informed that Spain has concluded its constitutional processes enabling that country to become a member of ICEM. I believe that I speak in behalf of all the active participants in ICEM's activities when I express the hope that now Portugal will similarly join that organization, thus completing the list of European countries whose economies suffer from surplus unemployed or underemployed manpower. Many Latin American countries who welcome natives of Spain, Italy, Greece, the Netherlands, and Germany are rather eager to continue the old tradition in offering resettlement opportunities for the traditional explorers of western lands, the Portuguese.

Mr. BENTLEY. Mr. Speaker, the conference authorization of \$3.9 billion which we have before us today for approval is approximately \$360 million greater than the House version of this legislation and \$382.5 million below the Senate figure. Of this \$360 million which was added to the House figure, \$300 million is for military aid and of the remainder \$50 million is for development assistance, that is, economic aid.

It is my intention to vote against this conference report to register my own opposition to any increase in the figures contained in the House version. I do not think it worthwhile, however, to attempt to send our conferees back to conference with new instructions. In view of the attitude of the other body, I question that anything would be accomplished thereby.

I wish rather to speak upon one particular part of this mutual-security legislation, and that is with respect to aid for Communist Yugoslavia. I might remind the membership that the authorization as passed by the House had re-

duced aid to Yugoslavia, as requested by the administration, by half or 50 percent. This was for defense support which, as the House knows, is economic aid presumed necessary by virtue of excessive military expenditures on the part of any given country.

The other body voted defense support funds for Yugoslavia to the full extent of the administration request. The conference agreed upon an increase of \$7.5 million in defense support for Europe. All of which is for Yugoslavia. In other words, if we accept the conference report we will have cut defense support for Yugoslavia by only 25, instead of 50, percent.

Now, Mr. Speaker, I wish to call the attention of the Members to a new subsection which the conference added to section 401 of the Mutual Security Act of 1954, the basic foreign aid legislation. This subsection, which I believe the Members can find on page 4 of the conference report, reads as follows:

It is the purpose of this act to advance the cause of freedom. The Congress joins with the President of the United States in proclaiming the hope that the peoples who have been subjected to the captivity of Communist despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter. Funds available under this section may be used for programs of information, relief, exchange of persons, education, and resettlement, to encourage the hopes and aspirations of peoples who have been enslaved by communism.

Those are very noble words, words with which I find myself heartily in agreement, but I notice that, in speaking of communism, there was no distinction made between Soviet communism and any other kind. I would have to assume, therefore, that the funds available under this section would and could be used to bring freedom to the people of Yugoslavia as well as the other enslaved peoples.

The people of Yugoslavia do not at present enjoy the right of self-determination. The people of Yugoslavia do not have the right to choose the form of Government under which they will live. The people of Yugoslavia do not, at present, enjoy sovereign rights of self-government in accord with the pledges contained in the Atlantic Charter. The people of Yugoslavia are now subjected to the captivity of Communist despotism, even if it is not of the Soviet variety. The people of Yugoslavia, therefore, fully qualify for aid and assistance under the meaning of section 401 (c) of the basic mutual security legislation.

Now the membership may understand how inconsistent a vote for the present conference report would be. A vote for the present conference report would include funds available to the people of Yugoslavia to help them achieve their freedom from Communist despotism. On the other hand, a vote for this conference report is a vote to increase funds to the Communist government of Yugoslavia, an increase even over what was authorized by the House itself.

There are certain safeguards written into the bill with respect to aid for Communist Yugoslavia, safeguards which I frankly think are an improvement even over the House version. But the essence of these safeguards is basically that Yugoslavia does not draw any closer to Soviet communism than is the case at present. Marshal Tito can continue his enslavement of the Yugoslav people provided that he does not get any closer to Khrushchev, Bulganin and company.

To be consistent, Mr. Speaker, this conference report should either eliminate aid to Tito entirely or should say that the people of Yugoslavia are not considered to be enslaved by communism and therefore the provisions of section 401 are not applicable to them. I do not believe that it is possible to correct this inconsistency at present unless the conference report were rejected, which I doubt the House is prepared to do.

There is, however, no question in my mind that the Congress has got to make up its mind between aid to Tito and aid to the people of Yugoslavia. You cannot have it both ways. I intend, therefore, when the appropriation bill for foreign aid is before us to offer an amendment that will in effect cut off aid to the Communist government of Yugoslavia. The adoption of such an amendment would restore consistency to the foreign aid program, at least in this respect. The adoption of that amendment would mean that the House had made its choice between giving aid to a Communist dictator and aid to the people whom he enslaves.

At this point, Mr. Speaker, I would like to read the text of a letter I have just received from one of my constituents, Mr. Daniel J. Sierocki, of Saginaw, Mich., the letter, dated July 3, 1956, reads as follows:

DEAR MR. CONGRESSMAN: I'm writing you not only as a citizen, but also as a taxpayer, who is represented by you in our tremendous Government.

First of all, I must thank you for your favors and consideration in the past, which I most sincerely appreciate.

Now come the "gripes," and I'll be as brief as possible. I understand that we, the United States, are granting aid of all kinds to Marshall Tito of Yugoslavia who in turn is buddy-buddy with the commies. This, I don't like. Now I'm greatly perturbed by these actions, Mr. Congressman, and I begin to wonder. Does it pay to be honest when we have those things going on? I do not want any of my tax money going to such a group regardless of what we get in return, which I think is nothing more than a stab in the back.

Materially, I do not have much but I have my God and my country which has many fine people. I don't believe the people of this fine land want to help such a tyrant as Mr. Tito. I insist that you do everything in your power to prevent foreign aid grants to him or people such as he. Remember the words of a great man, Mr. Congressman, "this is a Government of the people, by the people, and for the people."

Yours sincerely,

DANIEL J. SIEROCKI.

Mr. Speaker, I know Mr. Sierocki, he is a letter carrier for the Saginaw post office. He probably does not know too much about the ins and outs and the whys and wherefores of foreign policy, but he does know right from wrong. He



knows that it is wrong to give aid to Tito, just as I know it is wrong. If not at this time, then when we have the appropriations bill before us, I hope that the House will also make a final choice between the people and the Communist ruler of Yugoslavia.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### NARCOTIC CONTROL ACT OF 1956

Mr. COOPER. Mr. Speaker, I call up the conference report on the bill (H. R. 11619) to amend the Internal Revenue Code of 1954 and the Narcotic Drugs Import and Export Act to provide for a more effective control of narcotic drugs and marihuana, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 29, 1956.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOPER. Mr. Speaker, H. R. 11619, the Narcotic Control Act of 1956, as it passed the House, would have provided many improvements in the Federal legislation relating to the control of narcotic drugs and marihuana and the prevention of the illicit trafficking in these drugs. The Senate in acting on this legislation struck all after the enacting clause and substituted for the House-passed version the provisions of S. 3760, which had previously passed the Senate. Many of the provisions of H. R. 11619 and S. 3760 were identical or similar in substance.

The House-Senate conferees have recently come to agreement and resolved the differences between the House-passed version and the Senate-passed version of H. R. 11619. When the bill as agreed to in conference is approved by the Congress of the United States and is signed into law I am confident that the enforcement officials responsible for the apprehension of illicit traffickers and the members of the Federal judiciary who are responsible for the sentencing of convicted violators will find that the legislation we have enacted during this Congress will be one of the most significant contributions in our history toward the eradication of the illicit drug traffic from our American society.

For the balance of my remarks the section references that I will make, unless otherwise described, will be to the section of the bill as agreed to by the conferees.

Section 101, unlawful acquisition, and so forth, of marihuana: It will be recalled that section 2 of the House-passed version of H. R. 11619 amended section 4744 (a) of the Internal Revenue Code of 1954 to make it unlawful to transport or conceal or in any manner to facilitate the transportation or concealment of marihuana acquired or obtained without having paid the prescribed transfer tax. One effect of this amendment is to provide for venue in the jurisdiction in which possession is discovered as well as the jurisdiction in the place of acquisition. Section 101 of the bill as agreed to in conference contains the language of the House-passed bill in this respect.

Section 102, unlawful transportation of marihuana: Section 3 of the House-passed bill amended section 4755 (b) of the Internal Revenue Code of 1954 so as to clarify the scope of the prohibition contained in present law making it unlawful for any person who has not complied with the taxing and registration requirements of sections 4751 and 4753, inclusive, to send, ship, carry, or transport any marihuana in interstate commerce or within any territory, the District of Columbia, or any insular possession of the United States. Thus under the House amendment the prohibition would have been applicable to any person who violated the terms of the statute. The Senate-passed bill contained no comparable provision. The conference amendment follows the House bill.

Section 103, violations of narcotic drug and marihuana laws: This section amends the penalty provisions of the Internal Revenue Code of 1954 relating to narcotic drugs and marihuana. The conference agreement follows the House bill in that the Senate amendment did not amend these penalty provisions. Under the agreement the penalties provided for offenses—including conspiracies—relating to narcotic drugs and marihuana covered by the amended section 7237 (a) of the Internal Revenue Code of 1954 will be as follows: First offense: Imprisonment for not less than 2 nor more than 10 years, and a discretionary fine of not more than \$20,000.

Second offense: Imprisonment of not less than 5 years nor more than 20 years, and a discretionary fine of not more than \$20,000.

Third or subsequent offense: Imprisonment for not less than 10 years nor more than 40 years, and a discretionary fine of not more than \$20,000. No probation, suspension of sentence, or parole is to be granted to a second or subsequent offender; and the indeterminate sentence law otherwise applicable in the case of offenses committed in the District of Columbia will not apply.

The conference agreement also retains the provisions of the House bill providing specific penalties for sale offenses and conspiracies to commit sale offenses. For a first offense covered by this provision the penalty will be imprisonment for not less than 5 nor more than 20 years, and a discretionary fine of not more than \$20,000. For a second or subsequent offense the fine limitation of not to exceed \$20,000 will remain, but

imprisonment will be for not less than 10 nor more than 40 years. If the offender at the time of an offense has attained the age of 18 and the offense consists of the sale, barter, exchange, giving away, or transfer of any narcotic drug or marihuana to a person under the age of 18, or consists of a conspiracy to do such an act, the penalty will be imprisonment for not less than 10 nor more than 40 years and a discretionary fine of not more than \$20,000. No probation, suspension of sentence, or parole is to be granted for any sale offense; and the District of Columbia indeterminate sentence law is made inapplicable.

As I will explain later in connection with section 107 of the conference agreement, the conferees agreed to include in the bill the substance of a Senate-passed provision creating a specific offense of selling heroin to individuals under the age of 18 and provides the death penalty for such an offense if the jury in its discretion so directs. The other changes in the narcotic drug and marihuana penalty provisions of section 7237 of the 1954 code which were made by section 4 of the House bill are contained in the conference agreement. For example, the conference agreement contains the provisions of the House bill clarifying what constitutes a prior offense for purposes of determining second and subsequent offenses. The conference agreement, however, modifies the House language to insure that any conviction of the specific offense of selling heroin to juveniles provided by section 107 of the conference agreement will be counted as a prior offense.

Section 104, powers of Bureau of Narcotics and Bureau of Customs: The Senate-passed version of H. R. 11619 would have added to title 18 of the United States Code a provision giving express Federal statutory authority to the personnel of the Bureau of Narcotics and the Bureau of Customs to carry firearms, execute and serve search warrants and arrest warrants, serve subpoenas and summonses, and make arrest without warrants in certain situations. Section 6 of the House bill would have provided for this express authority for the personnel of the Bureau of Narcotics only. The conference agreement follows the substance of the Senate amendment as an amendment to the Internal Revenue Code.

Section 105, importation, and so forth, of narcotic drugs: Section 105 of the conference agreement is identical with section 7 of the House bill. It amends section 2 (c) of the Narcotic Drugs Import and Export Act to increase the penalties for violating that act. The present first offense penalty is increased from a minimum of 2 years and a maximum of 5 years imprisonment to a minimum of 5 years and a maximum of 20 years. In addition, under the conference agreement a second or subsequent offender would be subject to a minimum imprisonment of not less than 10 years and a maximum imprisonment of not more than 40 years. A discretionary fine of not more than \$20,000 can be imposed for the first or any subsequent offense. Under the conference agreement proba-



tion, suspension of sentence, and parole is not to be available to any offender; and the indeterminate sentence law for the District of Columbia is not to apply.

Section 106, smuggling of marihuana: Section 106 of the conference agreement is identical with section 8 of the House bill. It amends section 2 of the Narcotic Drugs Import and Export Act by inserting a new subsection (h) to make a specific offense of smuggling marihuana into the United States and to provide penalties therefor which are comparable to those I have previously described in connection with section 105.

Section 107, sale of heroin to juveniles—penalties: The Senate amendment added a new section 1403 to title 18 of the United States Code. This new section provided special penalties for selling or giving heroin to any person who has not attained age 18. While the sale of heroin to juveniles was made a capital offense, the death penalty was not mandatory but had to be specifically directed by the jury. An alternative penalty was imprisonment for life or for a term of not less than 10 years. The Senate amendment also provided that a mandatory fine of not more than \$10,000 was to be imposed.

The House bill contained no special provision relating solely to the sale of heroin to juveniles.

The conference agreement follows the substance of the Senate amendment in this respect. It amends section 2 of the Narcotic Drugs Import and Export Act by adding at the end thereof a new subsection (i). Under this new subsection whoever knowingly sells or gives away any heroin unlawfully imported into the United States to a person who has not attained the age of 18 years, shall, if the offender has attained the age of 18 years at the time of the offense, be imprisoned for life, or for a lesser period of not less than 10 years; except that the offender shall suffer death if the jury in its discretion shall so direct. The new subsection (i) also provides for a discretionary penalty of not to exceed \$20,000.

Under the conference agreement, in the case of any offense described above, no probation, suspension of sentence, or parole is to be granted; and the indeterminate sentence law otherwise applicable in the case of offenses committed in the District of Columbia will not apply.

Section 108, unlawful possession of narcotic drugs and marihuana on vessels: This section is identical with section 9 of the House bill. It amends the act of July 11, 1941, to provide the same penalties for violating the first section of that act as will be in effect for violation of section 2 (c) of the Narcotic Drugs Import and Export Act by reason of the amendment to such section 2 (c) made by section 105 of the conference agreement.

Section 109, territorial extent of law: This section is identical with section 10 of the House bill. It clarifies, with respect to the Commonwealth of Puerto Rico, the territorial extent of the provisions referred to in section 4774 of the 1954 code. The provision is not inserted for the purpose of granting a special ex-

emption to the Commonwealth of Puerto Rico, but rather is intended to provide a method whereby the provisions specified in section 4774 of the 1954 code will continue to apply in the Commonwealth of Puerto Rico pursuant to action of the Legislative Assembly of the Commonwealth of Puerto Rico, which is consistent with the Commonwealth status which has been accorded to Puerto Rico.

The provisions of the conference agreement that I will discuss next would become amendments to title 18 of the United States Code, as H. R. 11619 was agreed to in conference.

Section 201, addition of new chapter—narcotics: Section 201 of H. R. 11619 as agreed to in conference adds a new chapter 68 relating to narcotics to title 18 of the United States Code. Section 1401 of the new chapter 68 would define the terms "heroin" and "United States" for purposes of the chapter.

Section 1402 of the new chapter provides a procedure for the surrender of any heroin previously lawfully possessed within 120 days after the effective date of the act. The Secretary of the Treasury or his designated representative is authorized to make exceptions to this surrender requirement for approved scientific research purposes. This section is similar to that which is contained in the Senate amendments. The House bill contained no comparable provision.

Section 1403 of the new chapter 68 provides penalties for the use of communication facilities in connection with violations of the Federal narcotic and marihuana laws. This new section is similar in substance to both the provisions of the House-passed bill and the Senate-passed bill. The penalties for each use of a communication facility are imprisonment for not less than 2 years and not more than 5 years, and a discretionary fine of not more than \$5,000.

Section 1404, relating to appeal by the United States from a court order granting a defendant's motion for the return of seized property and to suppress evidence, section 1405, relating to the issuance of search warrants, and section 1406, relating to the immunity of witnesses are similar in substance to the House-passed version of H. R. 11619, although as approved by the conferees, they become a part of the new chapter 68 of title 18.

Section 1407 of chapter 68 of title 18 relates to border crossing by narcotic addicts and violators. There was no comparable provision included in the House-passed bill. This provision would require narcotic addicts, other users of illicit drugs, and convicted narcotic violators to register and obtain a certificate at points of departure when leaving the United States and to surrender the certificate upon reentry. Failure to comply would be punishable by a fine of not more than \$1,000, by imprisonment for not less than 1 year and not more than 3 years, or by both.

Title III of the bill as agreed to by the conferees sets forth amendments to the Immigration and Nationality Act. The House-passed version of H. R. 11619 contained no comparable provisions. The provisions in the conference agreement amending the Immigration and

Nationality Act are in substance the same as the provisions contained in the Senate amendment to H. R. 11619. This section 301 of the bill as agreed to in conference amended three provisions of the Immigration and Nationality Act as follows:

First. It amended section 212 (a) (23) of that act by including conspiracy to violate a narcotic law, and the illicit possession of narcotics, as additional grounds for excluding any alien from this country.

Second. It amended section 241 (a) (11) of that act by including conspiracy to violate any narcotic law, and the illicit possession of narcotics, as additional grounds for deporting any alien.

Third. It amended section 241 (b) of that act by including additional language to state clearly that this provision does not permit judicial recommendation against deportation of an alien convicted of a narcotic offense. Clarification of this provision has been made desirable by reason of the decisions in *United States ex rel. De Luca v. O'Rourke* (213 F. 2d 759) and *Ex parte Robles-Rubio* (119 F. Supp. 610). In addition, title III of the bill as agreed to by the conferees includes in section 302 thereof an amendment to the act of June 14, 1930, relating to the creation of the Bureau of Narcotics. This section 302 would create in the Bureau a new Division of Statistics and Records which would accept, catalog, file, and use all types of narcotic information and statistics received from Federal, State, and local law-enforcement agencies. This information would be made available for Federal, State, and local law-enforcement purposes. It would also provide that all Federal agencies may make available to the Bureau of Narcotics the names and identifications of, and any other pertinent information relating to, all persons known to them to be narcotic addicts or convicted narcotic law violators.

Title IV of the bill as agreed to by the conferees would provide that the amendments made by H. R. 11619 would take effect on the day following the date of enactment.

A separability provision is also included in title IV.

Some question has been raised as to the existence of concurrent jurisdiction shared by the Federal and State Governments with respect to matters on which both echelons of government have acted. However, the presence for many decades of laws, statutes, and ordinances on the Federal, State, and local levels of government removes any doubt that the Federal Government has not undertaken to enact preemptive legislation in this area and that concurrent jurisdiction does exist.

Mr. Speaker, it is my view that the provisions of the Narcotic Control Act of 1956, as approved by the conferees, include many meritorious improvements in the present Federal laws relating to drugs and their illicit use. I am confident that the improved enforcement procedures provided by the bill will greatly enhance the effectiveness of our enforcement officials. I am equally as confident that the more severe penalties provided









Public Law 726 - 84th Congress  
Chapter 627 - 2d Session  
H. R. 11356

AN ACT

All 70 Stat. 555.

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Mutual Security Act of 1956".

Mutual Security  
Act of 1956.

SEC. 2. The Mutual Security Act of 1954, as amended, is further amended by redesignating section 549, a statement of Congressional policy, as section 2, by inserting it immediately after the first section of the Act and before title I, and by amending it to read as follows:

69 Stat. 289.  
22 USC 1811a.

"SEC. 2. STATEMENT OF POLICY.—(a) The Congress of the United States recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

Congressional  
policy.

"(b) It is the sense of the Congress that inasmuch as—

"(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of Western Europe;

"(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

"(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world, those nations that have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

"(c) It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence."

SEC. 3. Title I, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to military assistance, is further amended as follows:

Military assis-  
tance.

(a) In section 103 (a), which relates to authorizations, add the following new paragraph:

68 Stat. 833;  
69 Stat. 283.  
22 USC 1813.

"(3) In addition, there is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$2,225,000,000, which shall remain available until expended."

(b) In section 105 strike out subsections (c) and (d), and strike out the reference to subsection (d) in section 513.

68 Stat. 834;  
69 Stat. 284.  
22 USC 1813, 1765.

Defense support.

SEC. 4. Title I, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to defense support, is further amended by substituting a semicolon for the period after "Asia" in subsection (c) of section 131 and inserting thereafter the following:

69 Stat. 284.  
22 USC 1841.

"and for the fiscal year 1957 not to exceed—

"(1) \$71,200,000 for Europe (excluding Greece and Turkey):

"(2) \$170,000,000 for the Near East (including Greece and Turkey) and Africa;

"(3) \$882,000,000 for Asia; and

"(4) \$52,000,000 for Latin America.

22 USC 1851,  
1852.  
62 Stat. 1681.

"Funds made available under paragraph (4) may be used to furnish assistance designed to sustain and increase military effort or political or economic stability, and may be used without regard to the requirements of sections 141 and 142 in the case of any nation which is a party to the Inter-American Treaty of Reciprocal Assistance and which has adhered to the resolution of 1954 entitled 'Declaration of Solidarity for the Preservation of the Political Integrity of the American States against the Intervention of International Communism'. Of the funds made available under paragraph (4), the sum of \$15,000,000 shall remain available until expended, notwithstanding any other provision of this subsection, and in the utilization of such sum preference shall be given to (A) projects or programs that will clearly contribute to promoting health, education, and sanitation in the area as a whole or among a group or groups of countries of the area, (B) joint health, education, and sanitation assistance programs undertaken by members of the Organization of American States, and (C) such land resettlement programs as will contribute to the resettlement of foreign and native migrants in the area as a whole, or in any country of the area, for the purpose of advancing economic development and agricultural and industrial productivity: *Provided*, That assistance under this sentence shall emphasize loans rather than grants wherever possible, and not less than 75 per centum of the funds made available for assistance under this sentence shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505."

Mutual defense  
assistance.  
22 USC 1851,  
1852.

SEC. 5. Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which contains general provisions relating to mutual defense assistance, is amended by adding at the end thereof the following new section:

"SEC. 143. Notwithstanding any other provision of law, no assistance under this title or any other title of this Act, or under any provision of law repealed by section 542 (a) of this Act, shall be furnished to Yugoslavia after the expiration of ninety days following the date of the enactment of this section, unless the President finds and so reports to the Congress, with his reasons therefor, (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this Act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this Act."

Development  
assistance.  
22 USC 1871,  
1872.  
22 USC 1871,  
1938.

SEC. 6. Title II of the Mutual Security Act of 1954, as amended, which relates to development assistance, is amended by striking out sections 201 and 202 and substituting the following new section:

"SEC. 201. AUTHORIZATION.—(a) In addition to the funds heretofore appropriated pursuant to the provisions of sections 201 and 418 of this Act as in effect prior to the enactment of the Mutual Security Act of 1956, which funds shall remain available for their original purposes in accordance with the provisions of law originally applicable



thereto, there is hereby authorized to be appropriated to the President not to exceed \$293,000,000, to remain available until June 30, 1960, for assistance designed to promote the economic development of free Asia, the Middle East, and Africa, based on self-help and mutual cooperation of friendly nations, and to maintain economic and political stability in these areas.

"(b) The President is authorized to utilize the funds hereafter made available for purposes of this title to accomplish in these areas policies and purposes declared in this Act, and to disburse them on such terms and conditions, including transfer of funds, as he may specify: *Provided*, That eighty per centum of such assistance shall only be available on terms of repayment, except (1) when such funds are used to finance sales of surplus agricultural commodities under section 402, or (2) when granted for the purpose of a regional project involving two or more beneficiary nations: *And provided further*, That not more than 25 per centum of any funds hereafter made available for purposes of this title shall be used in furnishing bilateral assistance to any one nation. 22 USC 1922.

"(c) Funds made available under this title may be used for expenses (other than those provided for under section 411 (c) of this Act) to assist in carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance." 22 USC 1931. 68 Stat. 454.

SEC. 7. Title III of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is further amended as follows: Technical cooperation. 68 Stat. 285. 22 USC 1894.

(a) In section 304 (b), which relates to authorization, after "\$146,500,000", insert ", and for the fiscal year 1957 not to exceed \$140,500,000,". 68 Stat. 285. 22 USC 1896.

(b) In section 306, which relates to multilateral technical cooperation:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance, strike out all following "1956" and substitute ", and \$15,500,000 for the fiscal year 1957, for such contributions,".

(2) In subsection (b), which relates to contributions to the technical cooperation programs of the Organization of American States, strike out all following "1956" and substitute ", and \$1,500,000 for the fiscal year 1957, for such contributions." 68 Stat. 842. 22 USC 1897.

(c) In section 307, which relates to advances, grants, and contracts, strike out all following "Congress," in the last sentence thereof and substitute "extend at any time for not more than three years." Other programs. 68 Stat. 843; 69 Stat. 286. 22 USC 1921.

SEC. 8. Title IV of the Mutual Security Act of 1954, as amended, which relates to other programs, is further amended as follows:

(a) Amend section 401, which relates to special fund, as follows:

(1) In the first sentence of subsection (a), strike out "\$50,000,000" and substitute "\$150,000,000"; and in the last sentence of such subsection strike out "\$20,000,000" and substitute "\$30,000,000".

(2) In the second sentence of subsection (a), strike out the words "and Austria".

(3) In subsection (b), after "\$100,000,000", insert ", and for the fiscal year 1957 not to exceed \$100,000,000,".

(4) Add to section 401 the following new subsection:

"(c) It is the purpose of this Act to advance the cause of freedom. The Congress joins with the President of the United States in proclaiming the hope that the peoples who have been subjected to the captivity of Communist despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which Purpose. Use of funds.

they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter. Funds available under this section may be used for programs of information, relief, exchange of persons, education, and resettlement, to encourage the hopes and aspirations of peoples who have been enslaved by communism."

69 Stat. 286.  
22 USC 1922.

(b) In section 402, which relates to earmarking of funds, after "\$300,000,000", insert ", and of the funds so authorized for the fiscal year 1957 not less than \$250,000,000,".

69 Stat. 286.  
22 USC 1923.

(c) In section 403 (b), which relates to special assistance in joint control areas, after "\$21,000,000", insert ", and for the fiscal year 1957 not to exceed \$12,200,000,".

69 Stat. 286.  
22 USC 1925.

(d) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), after "\$1,400,000", insert ", and for the fiscal year 1957 not to exceed \$2,300,000,".

(2) In subsection (d), after "\$6,000,000", insert ", and for the fiscal year 1957 not to exceed \$7,000,000,".

69 Stat. 286.  
22 USC 1926.

(e) In section 406 (b), which relates to children's welfare, after "\$14,500,000", insert ", and for the fiscal year 1957 not to exceed \$10,000,000,".

69 Stat. 286.  
22 USC 1927.

(f) In section 407 (b), which relates to Palestine refugees in the Near East, strike out "for the fiscal year 1956".

69 Stat. 286.  
22 USC 1929.

(g) Amend section 409, which relates to ocean freight charges, by inserting in subsection (c), after "\$2,000,000" in the last sentence thereof, the phrase ", and for the fiscal year 1957 not to exceed \$3,000,000,".

69 Stat. 287.  
22 USC 1930.

(h) In section 410, which relates to Control Act expenses, after "\$1,175,000," in the first sentence thereof, insert "and for the fiscal year 1957 not to exceed \$1,175,000,".

69 Stat. 287.  
22 USC 1931.

(i) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), strike out all that follows "\$35,225,000," and insert "and for the fiscal year 1957 not to exceed \$35,250,000, for necessary administrative expenses incident to carrying out the provisions of this Act (other than chapter 1 of title I and section 124).".

(2) Redesignate subsection "(c)" as subsection "(e)", and insert after subsection (b) the following new subsections:

Transfer of  
funds.

"(c) Not to exceed \$1,500,000 of funds made available under title II may be transferred in the fiscal year 1957 for necessary administrative expenses not otherwise provided for incident to carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance, and the amounts so transferred shall be consolidated with funds made available pursuant to this section for said fiscal year.

68 Stat. 454.

"(d) There are authorized to be appropriated to the Department of State such amounts, not to exceed \$7,000,000 in any fiscal year, as may be necessary from time to time for administrative expenses which are incurred for normal functions of the Department which relate to functions under this Act."

Administrative  
expenses, Dept.  
of State.

(j) In section 413 (b) (2), after "to encourage and facilitate the flow of private investment to", insert ", and its equitable treatment in,".

68 Stat. 847.  
22 USC 1933.

(k) Amend section 413 (b) (4) as follows:

(1) After "may make", insert ", through the agency primarily responsible for administering nonmilitary assistance under this Act,".

(2) Substitute "June 30, 1967" for "June 30, 1957".

(3) In subparagraph (B) (ii), before the semicolon at the end thereof, insert "or by reason of war".



(4) Amend subparagraph (F) to read as follows:

"(F) the President is authorized to issue guaranties up to a total face value of \$500,000,000 exclusive of informational media guaranties heretofore and hereafter issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (b) (3)): *Provided*, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, and funds realized after June 30, 1955, from the sale of currencies or other assets acquired pursuant to subparagraph (C), shall be available for allocation to other guaranties, and the foregoing limitation shall be increased to the extent that such funds become available. Any payments made to discharge liabilities under guaranties issued under this paragraph shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: *Provided*, That all guaranties issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guaranties; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the operation of this paragraph: *Provided further*, That at all times funds shall be allocated to all outstanding guaranties issued prior to July 1, 1956, exclusive of informational media guaranties issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guaranties. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2);".

Informational  
media guaranties.

Post, p. 563.  
62 Stat. 144;  
68 Stat. 861.

68 Stat. 860;  
62 Stat. 289.  
22 USC 1794.

62 Stat. 146.

(1) Amend section 415, which relates to assistance to international organization, as follows:

International  
organizations.

(1) Change "ORGANIZATION" in the title to "ORGANIZATIONS".

(2) After "the North Atlantic Treaty Organization", insert "and the Organization for European Economic Cooperation".

(m) Repeal section 418, which relates to President's Fund for Asian Economic Development.

Repeal.  
69 Stat. 287.  
22 USC 1938.

(n) Add the following new section:

"SEC. 421. FOOD AND AGRICULTURE ORGANIZATION.—Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking out the figure '\$2,000,000' in section 2 thereof and inserting in lieu thereof the figure '\$3,000,000', and by inserting before the period at the end of such section a colon and the following: '*Provided*, That the

59 Stat. 529;  
64 Stat. 902.  
22 USC 279a.

percentage contribution of the United States to the total annual budget of the Organization shall not exceed 31.5 per centum.'"

General provisions.

SEC. 9. Title V, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to general provisions, is further amended as follows:

68 Stat. 849.  
22 USC 1753.  
22 USC 1754.

(a) In section 501, which relates to transferability of funds, strike out the last three sentences.

(b) In section 502 (b), which relates to use of foreign currencies by committees of Congress, strike out "Joint Committee on the Economic Report" and insert "Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives."

22 USC 1759.

(c) Amend section 507, which relates to availability of funds, to read as follows:

"SEC. 507. AVAILABILITY OF FUNDS.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year."

22 USC 1761.

(d) In section 509, which relates to shipping on United States vessels, after "this Act" in the last sentence thereof, insert "or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following);".

68 Stat. 454.

(e) Add the following new section:

"SEC. 515. AUTHORIZATION FOR GRANT OF CONTRACT AUTHORITY.—Provisions in this Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations."

Organization and administration.

SEC. 10. Title V, chapter 2, of the Mutual Security Act of 1954, as amended, which relates to organization and administration, is further amended as follows:

68 Stat. 855.  
22 USC 1781.

(a) In section 521, which relates to delegation of authority by the President, after "subsection (b)" in subsection (a), insert "and section 413 (b) (4)".

22 USC 1782.  
GSA.

(b) Amend section 522, which relates to allocation and reimbursement among agencies, as follows:

(1) Add the following at the end of subsection (b): "The Administrator of General Services is authorized to maintain in a separate consolidated account, which shall be free from fiscal year limitations, payments received by the General Services Administration for administrative surcharges in connection with procurement services performed by the General Services Administration in furtherance of the purposes of this Act. Such payments shall be in amounts mutually acceptable to the General Services Administration and the United States Government agency which finances the procurement, and these amounts shall be available for administrative expenses incurred by the General Services Administration in performing such procurement services."

(2) Add the following new subsection:

"(f) Any appropriation made to carry out the provisions of this Act may initially be charged, within the limits of available funds, to finance expenses for which funds are available in other appropriations made under this Act: *Provided*, That as of the end of the same fiscal year such expenses shall be finally charged to applicable appropriations with proper credit to the appropriations initially utilized for financing purposes."

69 Stat. 289.  
22 USC 1790.

(c) In section 530, which relates to experts and consultants or organizations thereof, insert before the period at the end of subsection (a)



the following: " : *Provided*, That contracts for such employment with such organizations may be renewed annually".

(d) In section 532, which relates to exemption of personnel from certain Federal laws, add the following at the end of subsection (a): "Contracts for the employment of retired military personnel with specialized research and development experience, not to exceed ten in number, as experts or consultants under section 530 (a), may be renewed annually, notwithstanding section 15 of the Act of August 2, 1946 (5 U. S. C. 55a)." 68 Stat. 859.  
22 USC 1792.

(e) Amend section 535, which relates to cooperation with international organizations, as follows: 60 Stat. 810.  
22 USC 1795.

(1) Insert "NATIONS AND" after "WITH" in the title.

(2) Amend subsection (b) to read as follows:

"(b) Whenever the President determines it to be in furtherance of the purposes and within the limitations of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, and on request of nations, are authorized to furnish nonmilitary supplies, materials, and services, to such organizations and nations on an advance funds or reimbursement basis. Such advances, or reimbursements which are received under this subsection within one hundred and eighty days after the close of the fiscal year in which such supplies, materials, and services are delivered, may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used." Advances and reimbursements.

(f) Add the following new section:

"SEC. 537. PROVISIONS ON USES OF FUNDS.—

"(a) Appropriations for the purposes of this Act (except for chapter 1 of title I and section 124), allocations to any United States Government agency, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to any agency administering nonmilitary assistance, shall be available for: Ante, p. 555.  
69 Stat. 284.  
22 USC 1834.

"(1) rents in the District of Columbia for the fiscal year 1957;

"(2) expenses of attendance at meetings concerned with the purposes of such appropriations, including (notwithstanding the provisions of section 9 of the Act of March 4, 1909 (31 U. S. C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 530 of this Act;

35 Stat. 1027.  
Ante, p. 560.

"(3) employment of aliens, by contract, for services abroad;

"(4) purchase, maintenance, operation, and hire of aircraft: *Provided*, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

"(5) purchase and hire of passenger motor vehicles: *Provided*, That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles abroad for administrative purposes may be purchased for replacement only and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including exchange allowance, of each such replacement shall not exceed \$3,300 in the case of an automobile for the chief of any special mission or staff abroad established under section 526 of this Act: *Provided further*, That passenger motor vehicles may be purchased for use in the continental United States only as may be specifically provided in an appropriation or other Act;

68 Stat. 587;  
69 Stat. 289.  
22 USC 1786.

"(6) entertainment within the United States (not to exceed \$15,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

"(7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543), and loss by exchange;

"(8) expenditures (not to exceed \$50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: *Provided*, That a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by an officer administering nonmilitary assistance, or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

"(9) insurance of official motor vehicles in foreign countries;

"(10) rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters;

"(11) actual expenses of preparing and transporting to their former homes in the United States or elsewhere, and of care and disposition of, the remains of persons or members of the family of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection (a);

"(12) purchase of uniforms;

"(13) payment of per diem in lieu of subsistence to foreign participants engaged in any program of furnishing technical information and assistance, while such participants are away from their homes in countries other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding any other provision of law;

"(14) expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801 and the following), not otherwise provided for;

"(15) ice and drinking water for use abroad;

"(16) services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the regular corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized;

"(17) expenses in connection with travel of personnel outside the continental United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel) and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during that same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of any employee (i) for not to exceed three months after first arrival at a new post, (ii) when an employee is assigned to a post to which he cannot take, or at which he is unable to use, his furniture and household and personal effects, or (iii) when such storage would avoid the cost

47 Stat. 412.

60 Stat. 999.

62 Stat. 47.



of transporting such furniture and effects from one location to another, under such regulations as an officer administering non-military assistance, or such person as he may designate, may prescribe.

“(18) payment of unusual expenses incident to the operation and maintenance of official residences for chiefs of special missions or staffs serving in accordance with section 526 of this Act.

68 Stat. 587;  
69 Stat. 289.  
22 USC 1786.

“(b) United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program.

“(c) Not to exceed \$12,000,000 of the funds available in the fiscal year 1957 for assistance in Korea under this Act may be used by the President to construct or otherwise acquire essential living quarters, office space, and supporting facilities in Korea for use by personnel carrying out activities under this Act.”

SEC. 11. Title V, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to repeal and miscellaneous provisions, is further amended as follows:

(a) Amend section 544, which relates to amendments to other laws, by adding the following new subsections:

22 USC 1442, 281b,  
281b-1.

“(c) In section 4 of the Act of May 26, 1949 (63 Stat. 111, 5 U. S. C. 151c), insert after the words ‘such functions’ the following: ‘, including if he shall so specify the authority successively to redelegate any of such functions.’

“(d) In the first sentence of section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), after ‘any agency thereof’, insert ‘including amounts received in repayment of principal or interest on any loan made under section 505 (b) of the Mutual Security Act of 1954, as amended’.

58 Stat. 782.  
68 Stat. 851.  
22 USC 1757.

“(e) Section 933 of the Foreign Service Act of 1946, as amended (22 U. S. C. 1148), is hereby amended by inserting after ‘continental United States’ where it appears in both subsection (a) and subsection (b) of that section ‘, its Territories and possessions.’

60 Stat. 1028.

“(f) Section 1441 (c) of the Internal Revenue Code of 1954 is hereby amended by inserting after paragraph (5) the following new paragraph:

68A Stat. 358.  
26 USC 1441.

“(6) PER DIEM OF CERTAIN ALIENS.—No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the United States Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.”

68 Stat. 832.  
22 USC 1751  
note.  
68 Stat. 862.

“(g) Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442), is amended by inserting ‘(a)’ before ‘The Director’, by deleting everything after the words ‘national interests of the United States’, by inserting a period at that point, and by inserting the following new subsections:

“(b) The Director is authorized to assume the obligation of not to exceed \$28,000,000 of the notes authorized to be issued pursuant to subsection 111 (c) (2) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (c) (2)), together with the interest accrued and unpaid thereon, and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.

62 Stat. 146.

Ante, p. 558.

“(c) The Director is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413 (b) (4) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the Director less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).

“(d) Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties. Such currencies shall be available, as may be provided for by the Congress in appropriation Acts, for use for educational, scientific, and cultural purposes which are in the national interest of the United States, and for such other purposes of mutual interest as may be agreed to by the governments of the United States and the country from which the currencies derive.

68 Stat. 847.

“(e) Notwithstanding the provisions of subparagraph 413 (b) (4) (E) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and (2) the Director may require the payment of a minimum charge of up to fifty dollars for issuance of guaranty contracts, or amendments thereto.

“(f) The Director is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: *Provided*, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within nine months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.

62 Stat. 146.  
22 USC 1509.

Ante, p. 558.

“(g) As soon as feasible after the enactment of this subsection, all assets, liabilities, income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that Act, shall be accounted for separately from other guaranties issued pursuant to subsection 413 (b) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b)): *Provided*, That there shall be transferred from the special account established pursuant to subsection (b), into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and used to make payments under informational media guaranties.

68 Stat. 456.

“(h) Section 104 (h) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), is amended by adding at the end thereof the following: ‘In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection, including a particular effort with regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes.’



"(i) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), as amended, is further amended by adding after paragraph (h) the following new paragraph:

68 Stat. 456.

"(i) for financing the translation, publication, and distribution of books and periodicals, including Government publications, abroad: *Provided*, That not more than \$5,000,000 may be allocated for this purpose during any fiscal year."

(b) Amend section 545, which relates to definitions, as follows:

Definitions.

(1) Add at the end of subsection (h) the following: "Notwithstanding the foregoing provisions of this subsection (h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the Mutual Defense Assistance Program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability, that the term 'value' (except in the case of excess equipment or materials) shall mean—

68 Stat. 862.  
22 USC 1751.

"(1) the price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or

"(2) where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value."

(2) Add the following new subsections:

"(j) The term 'agency administering nonmilitary assistance' shall refer to any agency to which authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

"(k) The term 'officer administering nonmilitary assistance' shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act."

(c) In section 548, which relates to unexpended balances, strike out "heretofore", substitute "1957" for "1956", and strike out the colon and the remainder of the sentence following "Act" the second time it appears and insert a period.

69 Stat. 289.  
22 USC 1767a.

(d) Add the following new section:

"SEC. 549. SPECIAL PROVISION ON AVAILABILITY OF FUNDS.—An amount equal to 25 per centum of the funds authorized to be appropriated for any fiscal year for purposes of chapter 3 of title I, title III, section 403 of this Act is authorized to be continued available for three months beyond the end of the fiscal year for which appropriated."

#### FOREIGN RESEARCH REACTOR PROJECTS

SEC. 12. (a) As one means of furthering peaceful uses of atomic energy on an international basis, there is hereby authorized to be appropriated to the President for the fiscal year 1957 not to exceed \$5,950,000 for use by the President, on such terms and conditions as he may specify, for research reactor projects undertaken or authorized by foreign governments which shall have entered into agreements for cooperation with the Government of the United States concerning the peaceful uses of atomic energy.

(b) Nothing in this section shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1954.

68 Stat. 919.

(c) The United States share of the cost of any reactor made available to another government or to other governments under this section shall not exceed \$350,000.

42 USC 2011 note.

Publicity.

(d) In carrying out the purposes of this section, the appropriate United States departments and agencies shall give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the United States. Such portions of the equipment furnished under this section as may be appropriately die-stamped as a product of the United States shall be so stamped.

Transfer of  
funds.

SEC. 13. It is the sense of Congress that not to exceed \$11,000,000 of the funds made available pursuant to the Mutual Security Act of 1954, as amended, for the fiscal year 1957 be transferred, in the discretion of the President, to the Department of State to carry out international educational exchange activities. Such amount is authorized to be transferred to and consolidated with funds made available to the Department of State for the fiscal year 1957 for the activities authorized by the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1431-1479), and by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C., App. 1641 (b)). The amount transferred pursuant to this section shall be in addition to funds otherwise appropriated for such activities and not to exceed \$500,000 of the amount so transferred may be used for administrative expenses.

62 Stat. 6.

58 Stat. 782.

Congressional  
policy.

SEC. 14. It is the sense of Congress that in the preparation of the mutual security program, the President should take fully into account the desirability of affirmatively promoting the economic development of underdeveloped countries, both as a means of effectively counteracting the increased political and economic emphasis of Soviet foreign policy and as a means of promoting fundamental American foreign policy objectives of political and economic self-determination and independence.

Approved July 18, 1956.



# H. R. 11356

IN THE SENATE OF THE UNITED STATES

January 10, 1916.

REPORT OF THE COMMITTEE ON COMMERCE AND NAVIGATION

## AMENDMENTS

Submitted to the Senate by the Committee on Commerce and Navigation, in accordance with the order of the Senate, passed December 15, 1915, and the order of the House of Representatives, passed December 15, 1915, and the order of the Senate, passed December 15, 1915, and the order of the House of Representatives, passed December 15, 1915.

1. To amend the act of March 3, 1907, relating to the registration of ships.
2. To amend the act of March 3, 1907, relating to the registration of ships.
3. To amend the act of March 3, 1907, relating to the registration of ships.





84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 7 (legislative day, JUNE 4), 1956

Referred to the Committee on Foreign Relations and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. SMATHERS to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

1       On page 11, line 15, strike out "section" and insert in  
2       lieu thereof "sections".

3       On page 11, between lines 21 and 22, insert the fol-  
4       lowing new section:

5       "SEC. 421. ECONOMIC DEVELOPMENT FUND FOR  
6       LATIN AMERICAN COUNTRIES.—(a) The Congress of the  
7       United States reaffirms the policy of the United States to  
8       further promote friendly relations and Western Hemispheric  
9       economic development through assisting the peoples of Latin  
10      America in their efforts to obtain economic and social well-

1 being, to safeguard basic rights and liberties, and to pro-  
2 tect their security and independence. The Congress hereby  
3 recognizes that fundamental to these goals is an expand-  
4 ing economic growth of the Latin American area based  
5 upon self-help and mutual cooperation and full utilization  
6 of already existing resources and knowledge. The Congress  
7 expresses the willingness of the people of the United States  
8 to support the foregoing objectives to the extent to which  
9 the countries in the area continue to make effective use of  
10 their own resources and external resources otherwise avail-  
11 able to them.

12 “(b) In order to carry out the purposes of this section,  
13 there is hereby authorized to be established a fund, to be  
14 known as the ‘Economic Development Fund for Latin Amer-  
15 ican Countries’ (hereinafter referred to as the ‘fund’) and  
16 there is hereby authorized to be appropriated to the President  
17 for the fund an amount of \$100,000,000, such amount to  
18 remain available for obligation until June 30, 1961.

19 “(c) The President is authorized to utilize the appro-  
20 priations made available for the fund to accomplish in the  
21 Latin American area the policies and purposes declared in  
22 this Act and to disburse on such terms and conditions, in-  
23 cluding transfer of funds, as he may specify to any person,  
24 corporation, or body of persons however designated, or to  
25 any Latin American government, agency, or organization or



1 group of governments or agencies as may be appropriate:  
2 *Provided*, That such assistance shall emphasize loans rather  
3 than grants wherever possible, and not less than 50 per  
4 centum of the funds appropriated pursuant to this section  
5 shall be available only for furnishing assistance on terms of  
6 repayment in accordance with the provisions of section 505,  
7 and not more than 25 per centum of said funds may be al-  
8 located for assistance to any one country.

9 “(d) In utilizing the fund, the President shall give  
10 preference to: (1) projects or programs that will clearly  
11 contribute to promoting greater economic strength in the  
12 area as a whole or among a group or groups of countries  
13 of the area, and (2) joint economic development programs  
14 undertaken by members of the Organization of American  
15 States.”

84TH CONGRESS  
2d Session

# H. R. 11356

## AMENDMENTS

Intended to be proposed by Mr. SMATHERS to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

JUNE 7 (legislative day, JUNE 4), 1956

Referred to the Committee on Foreign Relations and ordered to be printed



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 21, 1956

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. CAPEHART to the bill (H. R. 11356), to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

1       On pages 30 and 31, strike out all of section 6 and insert  
2   in lieu thereof the following:

3       “SEC. 6. Title II of the Mutual Security Act of 1954  
4   as amended, which relates to development assistance, is  
5   further amended by adding the following new sections:

6       “‘SEC. 203. (a) There is hereby established in the  
7   Export-Import Bank of Washington an International Devel-  
8   opment Fund of \$2,000,000,000 which shall be extended  
9   as a line of credit to the countries and non-self-governing  
10   territories of the Near East (including Greece and Turkey),

1 Africa, Asia, and Latin America and to Spain for projects  
2 designed to promote the economic development of such coun-  
3 tries and non-self-governing territories.’ ”

4 On pages 30 and 31, strike out all of section 6 and  
5 insert in lieu thereof the following:

6 “(b) Credits established under authority of this section  
7 shall be extended on such terms and conditions of repay-  
8 ment as may be determined by the Board of Directors of  
9 the Export-Import Bank of Washington, in consultation  
10 with the National Advisory Council on International Mone-  
11 tary and Financial Problems and with the Secretary of  
12 State: *Provided*, That all such credits shall be repayable  
13 in United States dollars.

14 “(c) Credits extended under authority of this section  
15 shall not be considered in determining whether the Export-  
16 Import Bank of Washington has outstanding at any one  
17 time loans and guaranties to the extent of the limitation  
18 imposed by section 7 of the Export-Import Bank Act of  
19 1945 (59 Stat. 526), as amended.

20 “(d) To carry out the purposes of this section, the  
21 Export-Import Bank of Washington is authorized to issue  
22 from time to time for purchase by the Secretary of the  
23 Treasury its notes, debentures, bonds, or other obligations to  
24 the extent of \$2,000,000,000 in accordance with the pro-  
25 visions of section 6 of the Export-Import Bank Act of 1945



1 (59 Stat. 526), as amended, but without regard to the  
2 limitation imposed by such section on the aggregate amount  
3 of such obligations which may be outstanding at any one  
4 time.

5 “(e) No credits shall be extended under authority of  
6 this section after June 30, 1959, but this subsection shall  
7 not be construed as preventing the Export-Import Bank of  
8 Washington from exercising, subsequent to that date, such  
9 functions as may be necessary for the carrying out of credit  
10 agreements entered into prior to that date.

11 “SEC. 204. (a) There is hereby authorized to be ap-  
12 propriated to the International Cooperation Administration  
13 not to exceed \$500,000,000 which shall be available for  
14 loans to the countries and non-self-governing territories of  
15 the Near East (including Greece and Turkey), Africa, Asia,  
16 and Latin America and to Spain for projects designated to  
17 promote the economic development of such countries and  
18 non-self-governing territories.

19 “(b) Loans may be made under authority of this sec-  
20 tion under such terms and conditions of repayment, includ-  
21 ing repayment in foreign currency, as the Secretary of State  
22 may prescribe.

23 “(c) Amounts received in repayment of principal and  
24 interest on any loan made under this section shall be held  
25 by the Treasury to be used for such purposes, including

1 further loans, as may be authorized from time to time by  
2 Congress.”

Calendar No. 2296

84TH CONGRESS  
2D SESSION

**H. R. 11356**

## **AMENDMENTS**

Intended to be proposed by Mr. CAPENAK to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

JUNE 21, 1956

Ordered to lie on the table and to be printed



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 21, 1956

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. CAPEHART to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

1       On page 27, in line 11, strike out "paragraphs" and in-  
2       sert "paragraph".

3       Strike out all beginning in line 12 on page 27 through  
4       line 9 on page 28 and insert in lieu thereof the following:

5       “(3) In addition, there is hereby authorized to be ap-  
6       propriated to the Department of Defense to carry out the  
7       purposes of this chapter not to exceed \$2,525,000,000 for  
8       use beginning in the fiscal year 1957, to remain available  
9       until expended, and thereafter there are authorized to be  
10      appropriated annually, to remain available until expended,

- 1 such sums as may be necessary to carry out the purposes  
 2 of this chapter.”

Calendar No. 2296

84TH CONGRESS  
 2D Session

**H. R. 11356**

## AMENDMENTS

Intended to be proposed by Mr. CAPHART to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

JUNE 21, 1956

Ordered to lie on the table and to be printed.



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 25 (legislative day, JUNE 22), 1956

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. SMATHERS to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

1       On page 37, line 11, strike out "section" and insert in  
2       lieu thereof "sections".

3       On page 37, between lines 21 and 22, insert the  
4       following:

5       "SEC. 422. ECONOMIC DEVELOPMENT FUND FOR  
6       LATIN AMERICAN COUNTRIES.—(a) The Congress of the  
7       United States reaffirms the policy of the United States to  
8       further promote friendly relations and Western Hemispheric  
9       economic development through assisting the peoples of Latin  
10      America in their efforts to obtain economic and social well-

1 being, to safeguard basic rights and liberties, and to protect  
2 their security and independence. The Congress hereby rec-  
3 ognizes that fundamental to these goals is an expanding  
4 economic growth of the Latin American area based upon  
5 self-help and mutual cooperation and full utilization of al-  
6 ready existing resources and knowledge. The Congress  
7 expresses the willingness of the people of the United States  
8 to support the foregoing objectives to the extent to which  
9 the countries in the area continue to make effective use of  
10 their own resources and external resources otherwise avail-  
11 able to them.

12 “(b) In order to carry out the purposes of this section,  
13 there is hereby authorized to be established a fund, to be  
14 known as the ‘Economic Development Fund for Latin Amer-  
15 ican Countries’ (hereinafter referred to as the ‘fund’) and  
16 there is hereby authorized to be appropriated to the Presi-  
17 dent for the fiscal year 1957 an amount of \$50,000,000,  
18 such amount to remain available until expended.

19 “(c) The President is authorized to utilize the appro-  
20 priations made available for the fund to accomplish in the  
21 Latin American area the policies and purposes declared in  
22 this Act and to disburse on such terms and conditions, in-  
23 cluding transfer of funds, as he may specify to any person,  
24 corporation, or body of persons however designated, or to  
25 any Latin American government, agency, or organization



1 or group of governments or agencies as may be appropriate:  
2 *Provided*, That such assistance shall emphasize loans rather  
3 than grants wherever possible, and not less than 75 per  
4 centum of the funds appropriated pursuant to this section  
5 shall be available only for furnishing assistance on terms of  
6 repayment in accordance with the provisions of section 505,  
7 and not more than 25 per centum of said funds may be allo-  
8 cated for assistance to any one country.

9 “(d) In utilizing the fund, the President shall give pref-  
10 erence to: (1) projects or programs that will clearly con-  
11 tribute to promoting health, education, and sanitation in  
12 the area as a whole or among a group or groups of countries  
13 of the area, and (2) such joint health, education, and sani-  
14 tation assistance programs undertaken by members of the  
15 Organization of American States.”

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## AMENDMENTS

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Intended to be proposed by Mr. SMATHERS to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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JUNE 25 (legislative day, JUNE 22), 1956.

Ordered to lie on the table and to be printed



Calendar No. 2296

84<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 26, 1956

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. LONG (for himself and Mr. ELLENDER) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: At the end of the bill, add the following new section:

1        SEC. —. Notwithstanding any other provision of this  
2 Act, the total appropriation made under authority of this  
3 Act (including unobligated and unreserved funds continued  
4 available) shall not exceed \$2,765,875,000.

84TH CONGRESS  
2D SESSION

# H. R. 11356

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## AMENDMENT

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Intended to be proposed by Mr. LONG (for himself and Mr. BLANDER) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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JUNE 26, 1956

Ordered to lie on the table and to be printed



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 27, 1956

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

1       On page 40, line 25, strike out "section" and insert  
2       "sections".

3       On page 46, between lines 5 and 6, insert the following:

4       "SEC. 538. FURNISHING OF INFORMATION TO CON-  
5       GRESSIONAL COMMITTEES.—Upon the request of any appro-  
6       priate committee of the Senate or House of Representatives,  
7       any joint committee of the two Houses, or any subcommittee  
8       of any such committee, any officer or employee of the  
9       Government having information, or having custody of docu-  
10      ments or other data, relating to the programs being admin-

1 istered under this Act, shall promptly furnish any such in-  
2 formation, documents, or other data to such committee or  
3 subcommittee.

Calendar No. 2296

84TH CONGRESS  
2D SESSION

**H. R. 11356**

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## **AMENDMENTS**

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Intended to be proposed by Mr. O'MAHONEY to  
the bill (H. R. 11356) to amend further the  
Mutual Security Act of 1954, as amended,  
and for other purposes.

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JUNE 27, 1956

Ordered to lie on the table and to be printed



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

---

IN THE SENATE OF THE UNITED STATES

JUNE 27, 1956

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: At the end of the bill add the following new section:

1        SEC. 13. Notwithstanding any other provision of this  
2 Act, in the event any portion of the funds appropriated by  
3 the Congress in the Department of Defense Appropriation  
4 Act, 1957, for aircraft and related procurement is impounded  
5 by Executive order or otherwise and not expended, there  
6 shall be withheld from expenditure a corresponding per-  
7 centage of the unexpended balances of funds appropriated  
8 pursuant to authorizations contained in this Act.

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## AMENDMENT

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Intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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JUNE 27, 1956

Ordered to lie on the table and to be printed



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 27, 1956

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. YOUNG (for himself, Mr. RUSSELL, Mr. CARLSON, and Mr. JOHNSTON of South Carolina) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

1       On page 51, at the end of line 12, strike out the double  
2 quotation marks.

3       On page 51, after line 12, insert the following:

4       “Section 22 of the Agricultural Adjustment Act of  
5 1933, as amended, is amended by adding at the end thereof  
6 a new subsection as follows:

7       “(g) Whenever the Secretary of Agriculture deter-  
8 mines that there is, or that there is likely to be, a surplus  
9 of any agricultural commodity in the United States, no such

1 commodity and no product thereof shall be permitted to be  
2 entered or withdrawn from warehouse for consumption dur-  
3 ing any calendar or marketing year in excess of the annual  
4 average quantity of such commodity or product, as the case  
5 may be, entered or withdrawn from warehouse for consump-  
6 tion during the three calendar years immediately preceding  
7 such calendar or marketing year: *Provided*, That whenever  
8 any agricultural commodity or whenever any product thereof  
9 is subject to quantitative import limitations under subsection  
10 (b) of this section, that commodity or that product, as the  
11 case may be, shall not be subject to the quantitative import  
12 limitations imposed by this subsection. To assure to the  
13 maximum extent practicable equitable treatment among ex-  
14 porting countries and to prevent excessive imports of any  
15 class or kind of agricultural commodity or of any particular  
16 product of such commodity, the Secretary of Agriculture, to  
17 the extent he deems such action necessary to effectuate either  
18 of these objectives, is authorized and directed to establish  
19 reasonable classifications of any agricultural commodity and  
20 of the products thereof on the basis of either their physical  
21 qualities, value, use, or upon such other basis as he shall  
22 determine, and to specify the quantities of each commodity  
23 and of each product thereof, or of any class, kind, type, grade,  
24 or other specification or classification thereof, which may be  
25 entered or withdrawn from warehouse for consumption



1 during any calendar or marketing year or portion thereof.  
2 Nothing in this subsection shall be construed to affect any  
3 right, privilege, or remedy otherwise provided by this section  
4 or by section 7 of the Act of June 16, 1951, as amended.

5 “For the purposes of this subsection, (1) the term  
6 “product” or “products” means any article or articles in-  
7 cluded within or classifiable under each paragraph of  
8 schedules 7 and 9 of the Tariff Act of 1930, as originally  
9 enacted or as amended, and the articles included within each  
10 paragraph of said schedules or within such further classifica-  
11 tion as may be made by the Secretary of Agriculture shall  
12 be deemed to be a separate product, and (2) any agricul-  
13 tural commodity in the United States shall be deemed to  
14 be in surplus whenever any class, kind, type, grade, or  
15 other specification thereof, is or may reasonably be expected  
16 to be in excess of domestic requirements, adequate carryover,  
17 and anticipated exports, as determined by the Secretary of  
18 Agriculture.

19 “The enforcement provisions of the Tariff Act of 1930,  
20 as amended, shall be applicable for the enforcement of the  
21 provisions of this subsection.’ ”

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## **AMENDMENTS**

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Intended to be proposed by Mr. YOUNG (for himself, Mr. RUSSELL, Mr. CARSON, and Mr. JOHNSON of South Carolina) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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JUNE 27, 1956

Ordered to lie on the table and to be printed



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

---

IN THE SENATE OF THE UNITED STATES

JUNE 27, 1956

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

1 On page 38, after line 21, insert the following:

2 “(a) Amend section 521, which relates to delegation  
3 of authority, by inserting at the end thereof the following:

4 ““(c) The President shall transmit quarterly to the  
5 Committee on Foreign Relations of the Senate and the Com-  
6 mittee on Foreign Affairs of the House of Representatives  
7 a list of the names of all persons to whom delegations of  
8 authority have been made under this section, together with  
9 a statement of the experience, business affiliations, and em-  
10 ployment status of each such person. The first such list

1 shall be transmitted as soon as possible after the enactment  
2 of the Mutual Security Act of 1956 and shall include all  
3 delegations made prior to such enactment. Each subsequent  
4 list shall include all delegations made during the quarter  
5 immediately preceding its transmission.' ”

6 On page 39, line 1, page 39, line 24, page 40, line 5,  
7 and page 40, line 25, redesignate subsections (a), (b), (c),  
8 and (d) as (b), (c), (d), and (e), respectively.





84TH CONGRESS  
2D Session

# H. R. 11356

## AMENDMENTS

Intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

JUNE 27, 1956

Ordered to lie on the table and to be printed



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 27, 1956

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. DUFF, and Mr. LEHMAN) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: At the end of the bill insert a new section as follows:

1        SEC. . (a) It is the declared policy of the Congress  
2 to resist the spread of communism. The issue between the  
3 free and the slave world is essentially whether freedom shall  
4 survive. The struggle to preserve freedom, however, is  
5 not to be won solely by further resistance to enslavement,  
6 but also by keeping alive in the hearts of enslaved people the  
7 spirit and hope of freedom. It is the purpose of this section  
8 to advance the cause of freedom by providing aid and sup-

1 port to those groups which are actively engaged in maintain-  
2 ing, inspiring, and instilling that spirit and hope.

3 (b) (1) There is hereby created an agency under the  
4 name "Freedom Administration" (hereinafter referred to  
5 as the "Administration"), which shall be under the general  
6 direction and supervision of the President and shall not be  
7 affiliated with or be a part of any other agency or department  
8 of the Federal Government. The principal office of the  
9 Administration shall be located in the District of Columbia,  
10 but the Administration may establish offices in such other  
11 places as may be determined by the Administrator of the  
12 Administration.

13 (2) The management of the Administration shall be  
14 vested in an Administrator (hereinafter referred to as the  
15 "Administrator") who shall be appointed from civilian life  
16 by the President, by and with the advice and consent of the  
17 Senate. The Administrator shall receive compensation at  
18 the rate of \$17,500 per annum. There shall also be ap-  
19 pointed to the Administration, by the President, by and  
20 with the advice and consent of the Senate, eight deputy  
21 administrators who shall each be paid at the rate of \$15,000  
22 per annum. The deputy administrators shall be outstand-  
23 ing citizens of the United States, one of whom shall be of  
24 German descent, one of Polish descent, one of Lithuanian  
25 descent, one of Latvian descent, one of Estonian descent,



1 one of Czech descent, one of Ukrainian descent, and one of  
2 such descent as to represent the remaining Slavic peoples  
3 in the Communist world.

4 (c) The Administration shall have power to adopt,  
5 alter, and use a seal which shall be judicially noticed. The  
6 Administrator is authorized, subject to the civil-service laws  
7 and the Classification Act of 1949, to select, employ, ap-  
8 point, and fix the compensation of such officers and em-  
9 ployees as are necessary to carry out the provisions of this  
10 section. The Administration, with the consent of any de-  
11 partment or agency of the Government, may avail itself  
12 on a reimbursable basis of the services, facilities, and per-  
13 sonnel of any such department or agency.

14 (d) For the purpose of carrying out its functions under  
15 this section, the Administration—

16 (1) may sue and be sued;

17 (2) may adopt, amend, and repeal rules and regu-  
18 lations governing the manner in which its business may  
19 be conducted and its powers exercised;

20 (3) may make and carry out such contracts and  
21 other arrangements as are necessary or advisable in  
22 carrying out its functions;

23 (4) may determine the character of and the neces-  
24 sity for its obligations and expenditures, and the manner  
25 in which they shall be incurred, allowed, and paid sub-

ject to the provisions of the Government Corporation Control Act, as amended; and

(5) take such other action as may be necessary to carry out the purposes of this section.

(e) (1) The Administrator is authorized to make grants to any private or semiprivate nonprofit organization, committee, or group which is actively engaged in broadcasting, publishing, correspondence or other activities designed to keep alive the spirit and hope of freedom, and the will to resist enslavement, in persons residing in Communist or Communist-dominated countries.

(2) In making any grant under this section, the Administrator shall advise and consult with the Director of Central Intelligence, and no such grant shall be made except with the concurrence of a majority of the deputy administrators of the Administration.

(f) (1) There shall be established in the Treasury Department a special fund which shall be available without fiscal-year limitation for financing the operation and expenses of the Administration. There is hereby authorized to be appropriated to such fund for each fiscal year, beginning with the fiscal year, 1957, the sum of \$20,000,000.

(2) Notwithstanding section 1415 of the supplemental Appropriation Act, 1953, or any other provision of law. foreign currencies or credits owed to or owned by the



1 United States shall, with the approval of the President,  
2 be made available to the Administration for the purpose of  
3 making any grant authorized by this section.

4 (g) The Administrator shall submit to the President  
5 for transmission to the Congress at the beginning of each  
6 regular session an annual report of its operations under this  
7 section.

8 (h) Section 101 of the Government Corporation Con-  
9 trol Act, as amended (31 U. S. C. 846), is amended by  
10 inserting after "Saint Lawrence Seaway Development Cor-  
11 poration;" the words "Freedom Administration;"







84TH CONGRESS  
2D Session

H. R. 11356

AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. DUFF, and Mr. LEHRMAN) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

JUNE 27, 1956

Ordered to lie on the table and to be printed



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 27, 1956

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. KNOWLAND to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 55, after line 16, insert the following new section:

1           COMMISSION ON FOREIGN AID PROGRAMS

2           SEC. 14. (a) It is the purpose of this section to insure  
3 the soundness and maximum effectiveness of any foreign-aid  
4 program in which the United States may hereafter be en-  
5 gaged by providing, on the basis of a detailed study and  
6 evaluation of the policies and operations of our present and  
7 past foreign-aid programs, a means for—

8           (1) clarifying the objectives of any foreign-aid  
9 program of the United States, and the considerations  
10 which should govern the selection of methods and pol-  
11 icies to attain those objectives;

1           (2) determining specific organizational standards,  
2       procedures, and practices to promote improved admin-  
3       istration of any such program at the operational level;  
4       and

5           (3) developing a policy on foreign aid which will  
6       most effectively secure the implementation of such ob-  
7       jectives while maintaining maximum economy and ef-  
8       ficiency in all parts of the program at all levels of  
9       operation.

10       (b) To carry out the purpose set forth in subsection  
11   (a), there is hereby established a commission to be known  
12   as the Commission on Foreign Aid Programs (referred to  
13   hereinafter as the "Commission"). Service of an individual  
14   as a member of the Commission or employment of an indi-  
15   vidual by the Commission as an attorney or expert in any  
16   business or professional field, on a part-time or full-time  
17   basis, with or without compensation, shall not be considered  
18   as service or employment bringing such individual within  
19   the provisions of section 281, 283, 284, 434, or 1914 of  
20   title 18 of the United States Code, section 190 of the Revised  
21   Statutes (5 U. S. C. 99), or section 512 of the Mutual  
22   Security Act of 1954, as amended (22 U. S. C. 1764) ; nor  
23   shall such service be considered as employment or holding  
24   of office or position bringing such individual within the  
25   provisions of section 6 of the Act of May 22, 1920, as



1 amended (5 U. S. C. 715), section 212 of the Act of June  
2 30, 1932, as amended (5 U. S. C. 59a), or any other Fed-  
3 eral law limiting the reemployment of retired officers or em-  
4 ployees or governing the simultaneous receipt of compensa-  
5 tion and retired pay or annuities.

6 (c) The Commission shall be composed of twelve mem-  
7 bers as follows:

8 (1) Four appointed by the President of the United  
9 States, two from the executive branch of the Govern-  
10 ment and two from private life;

11 (2) Four appointed by the President of the Senate,  
12 two from the Senate and two from private life; and

13 (3) Four appointed by the Speaker of the House  
14 of Representatives, two from the House of Representa-  
15 tives and two from private life.

16 Any vacancy in the Commission shall not affect its powers,  
17 but shall be filled in the same manner in which the original  
18 appointment was made. The Chairman of the Commission  
19 shall be designated by the President. The Commission shall  
20 elect a Vice Chairman from among its members. Seven  
21 members of the Commission shall constitute a quorum.

22 (d) Members of Congress who are members of the  
23 Commission shall serve without compensation in addition  
24 to that received for their services as Members of Congress;  
25 but they shall be reimbursed for travel, subsistence, and

1 other necessary expenses incurred by them in the perform-  
2 ance of the duties vested in the Commission. Members of  
3 the Commission who are in the executive branch of the  
4 Government shall serve without compensation in addition  
5 to that received for their services in the executive branch,  
6 but they shall be reimbursed for travel, subsistence, and other  
7 necessary expenses incurred by them in the performance of  
8 the duties vested in the Commission. Members of the Com-  
9 mission appointed from private life shall each receive \$75  
10 per diem when engaged in the actual performance of duties  
11 vested in the Commission, plus reimbursement for travel,  
12 subsistence, and other necessary expenses incurred by them  
13 in the performance of such duties.

14 (e) The Commission shall have power to appoint and  
15 fix the compensation of such personnel as it deems advisable,  
16 without regard to the provisions of the civil-service laws and  
17 the Classification Act of 1949, as amended. The Commission  
18 may procure, without regard to the civil-service laws and  
19 the classification laws, temporary and intermittent services  
20 to the same extent as is authorized for the departments by  
21 section 15 of the Act of August 2, 1946 (60 Stat. 810;  
22 5 U. S. C. 55a), but at rates not to exceed \$75 per diem  
23 for individuals.

24 (f) There are hereby authorized to be appropriated,  
25 out of any money in the Treasury not otherwise appropri-



1 ated, such sums as may be necessary to carry out the pro-  
2 visions of this Act.

3 (g) The Commission shall conduct a comprehensive  
4 study and investigation of the operation of the present and  
5 past foreign aid programs of the United States, in order to  
6 provide complete information concerning—

7 (1) The proper objectives of foreign aid programs  
8 and the criteria which can be used to measure accom-  
9 plishment.

10 (2) The capability of the United States to extend  
11 aid, in terms of the nation's economic, technical, per-  
12 sonnel, and other resources.

13 (3) The need and willingness of foreign countries  
14 to receive aid, and their capacity to make effective use  
15 thereof.

16 (4) The various kinds of foreign aid and alterna-  
17 tives thereto as well as the methods by which and con-  
18 ditions on which aid might be furnished.

19 (5) The related actions which should be taken to  
20 make foreign aid effective in achieving national ob-  
21 jectives.

22 The Commission shall transmit to the President and to the  
23 Congress not later than February 15, 1957, the results of  
24 the study herein authorized together with such recommenda-  
25 tions as it may consider to be desirable.

1 (h) The Commission or, on the authorization of the  
2 Commission, any subcommittee or member thereof, may,  
3 for the purpose of carrying out the provisions of this Act,  
4 hold such hearings and sit and act at such times and places,  
5 administer such oaths, and require, by subpoena or other-  
6 wise, the attendance and testimony of such witnesses and  
7 the production of such books, records, correspondence, mem-  
8 oranda, papers, and documents as the Commission or such  
9 subcommittee or member may deem advisable. Subpenas may  
10 be issued under the signature of the Chairman of the Commis-  
11 sion, of such subcommittee, or any duly designated member,  
12 and may be served by any person designated by such Chair-  
13 man or member. The provisions of sections 102 to 104,  
14 inclusive, of the Revised Statutes (2 U. S. C. 192-194)  
15 shall apply in the case of any failure of any witness to com-  
16 ply with any subpoena or to testify when summoned under  
17 authority of this section.

18 (i) The Commission is authorized to secure directly  
19 from any executive department, bureau, agency, board, com-  
20 mission, office, independent establishment, or instrumentality,  
21 information, suggestions, estimates, and statistics for the pur-  
22 pose of this Act; and each such department, bureau, agency,  
23 board, commission, office, establishment, or instrumentality  
24 is authorized and directed to furnish such information, sug-



- 1 gestions, estimates, and statistics directly to the Commission,
- 2 upon request made by the Chairman or Vice Chairman.

AMENDMENT

H. R. 11320

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## AMENDMENT

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Intended to be proposed by Mr. KNOWLAND to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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JUNE 27, 1956

Ordered to lie on the table and to be printed



Calendar No. 2296

84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 27, 1956

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. JOHNSTON of South Carolina (for himself, Mr. PAYNE, Mr. GREEN, Mr. SCOTT, and Mr. WOFFORD) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

1       On page 51, strike out the double quotation marks at  
2 the end of line 12.

3       On page 51, between lines 12 and 13, insert the fol-  
4 lowing:

5       “(j) Section 22 of the Agricultural Adjustment Act of  
6 1933, as amended, is amended by adding at the end thereof  
7 a new subsection as follows:

8       ““(g) The import of cotton or products manufactured  
9 therefrom into the United States in quantities in excess of

1 the annual average quantity of such commodity or of such  
2 products, respectively, imported during the preceding three  
3 calendar years whenever there is or is practically certain  
4 to be a surplus of cotton in the United States, renders or  
5 tends to render ineffective or materially interferes with  
6 the agricultural programs or operations referred to in subsec-  
7 tion (a) of this section or operations under the provisions of  
8 the Soil Bank Act and will also reduce substantially the  
9 quantity of products processed in the United States from cot-  
10 ton or cotton products, and therefore establishes a condition  
11 requiring emergency treatment in the form of quantitative  
12 limitations as authorized under the provisions of this section.  
13 The Secretary of Agriculture is, therefore, directed to deter-  
14 mine and report to the President whenever there is or is  
15 practically certain to be a surplus of cotton in the United  
16 States and whenever such commodity or the products manu-  
17 factured therefrom are being or are practically certain to  
18 be imported into the United States in excess of the annual  
19 average quantity of such commodity or of such products,  
20 respectively, imported during the three preceding calendar  
21 years. Upon such a report, there shall be imposed, under  
22 the emergency authority of this section, such quantitative  
23 limitations as may be necessary to remove such interfer-  
24 ence and to prevent imports of cotton and the products  
25 manufactured therefrom in excess of the annual average



1 quantity of such commodity or of such products, respectively,  
2 imported during the preceding three calendar years. Such  
3 limitations shall continue in effect pending report and recom-  
4 mendations of the Tariff Commission and action thereon  
5 by the President pursuant to the other provisions of this  
6 section. A determination by the Secretary of Agriculture  
7 under this subsection shall be made immediately upon the  
8 enactment of this Act and thereafter between August 15  
9 and October 15 of each subsequent calendar year.

10 “To assure to the maximum extent practicable equi-  
11 table treatment among exporting countries and to prevent  
12 undue concentration of imports of any article within any  
13 tariff schedule or classification of product, the President is  
14 authorized to establish reasonable classifications of cotton  
15 and the products thereof on the basis of either their physical  
16 qualities, value, use, grade, or upon such other bases as he  
17 shall determine and to impose such further limitation by  
18 classifications of cotton or cotton products as he determines  
19 necessary to effectuate either of these objectives. Notwith-  
20 standing any of the foregoing provisions, whenever any  
21 cotton or classification thereof, or any such product is sub-  
22 ject to quantitative import limitations under any other pro-  
23 vision of this section, that cotton or that product, as the case  
24 may be, shall not be subject to the provisions of this sub-  
25 section.

1       “‘Nothing in this section shall be construed to affect  
2 any right, privilege, or remedy provided under section 7 of  
3 the Act of June 16, 1951, or under the other provisions of  
4 this section.

5       “‘For the purposes of this subsection, cotton shall be  
6 deemed to be in surplus in the United States whenever the  
7 supply thereof is in excess of the normal supply thereof,  
8 as defined in the Agricultural Adjustment Act of 1938, as  
9 amended.’”











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# H. R. 11356

## AMENDMENTS

Intended to be proposed by Mr. JOHNSTON of South Carolina (for himself, Mr. PAYNE, Mr. GREEN, Mr. SCOTT, and Mr. WOFFORD) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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84TH CONGRESS  
2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 27, 1956

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## AMENDMENT

Intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: Beginning with line 10 on page 25, strike out over through line 3 on page 26 and insert in lieu thereof the following:

1        SEC. 2. STATEMENT OF POLICY.—(a) The Congress  
2 of the United States recognizes that the peace of the world  
3 and the security of the United States are endangered as long  
4 as international communism and the nations it controls con-  
5 tinue by threat of military action, by the continuous develop-  
6 ment of airpower and the construction of nuclear weapons,  
7 and by the use of economic pressure, internal subversion, or  
8 other means, to attempt to bring under their domination

## 2

1 peoples now free and independent, and continue to deny the  
2 rights of freedom and self-government to peoples and nations  
3 once free but now subject to such domination. The Con-  
4 gress therefore declares it to be the policy of the United  
5 States to continue, as long as such danger persists, (1) to  
6 expand its own airpower through the construction, in ac-  
7 cordance with appropriations heretofore or hereafter made  
8 by the Congress, of planes, guided missiles, and other ad-  
9 vanced weapons, so as to be prepared at all times to resist  
10 any attack by Communist power, and (2) to make available  
11 to free nations and peoples upon request assistance of such  
12 nature and in such amounts as the United States deems  
13 advisable compatible with its own stability, strength, and  
14 other obligations, and as may be needed and effectively used  
15 by such free nations and peoples to help them maintain their  
16 freedom.





**H. R. 11356**

**AMENDMENT**

Intended to be proposed by Mr. O'MAHONEY to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

JUNE 28, 1956

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## AMENDMENTS

Intended to be proposed by Mr. McCLELLAN to the bill  
(H. R. 11356) to amend further the Mutual Security Act  
of 1954, as amended, and for other purposes, viz:

1       On page 53, between lines 23 and 24, insert the follow-  
2   ing new section:

3       “SEC. 12. Title III of the Mutual Defense Assistance  
4   Control Act of 1951 is amended by adding at the end thereof  
5   the following new section:

6       “‘SEC. 306. No officer or employee of the United States  
7   or any department or agency thereof shall determine upon or  
8   give assent to any proposed relaxation, modification, or re-  
9   moval of any embargo or other restriction with respect to the  
10   shipment of any article or commodity to Communist China,

1 or to any region controlled by the Communist Government  
 2 of China, until a period of thirty days of continuous session  
 3 of the Congress has passed after the transmittal of full and  
 4 complete notice as to the purpose and effect of such proposal  
 5 to the Committees on Foreign Relations, Armed Services,  
 6 and Government Operations of the Senate, and to the Com-  
 7 mittees on Foreign Affairs, Armed Services, and Govern-  
 8 ment Operations of the House of Representatives. For the  
 9 purposes of this section—

10 ““(1) the continuity of session shall be considered  
 11 as broken only by an adjournment of the Congress sine  
 12 die, but

13 ““(2) in the computation of such thirty-day period  
 14 there shall be excluded the days on which either House  
 15 is not in session because of an adjournment of more  
 16 than three days to a day certain.’”

17 On page 53, line 25, strike out the section number  
 18 “12”, and insert in lieu thereof the section number “13”.

19 On page 55, line 1, strike out the section number “13”,  
 20 and insert in lieu thereof the section number “14”.





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## AMENDMENTS

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Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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2D SESSION

# H. R. 11356

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## AMENDMENT

Intended to be proposed by Mr. LONG (for himself and Mr. ELLENDER) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: At the end of the bill, add the following new section:

- 1        SEC. —. Notwithstanding any other provision of this  
2 Act, the total appropriation made under authority of this  
3 Act (including unobligated and unreserved funds continued  
4 available) shall not exceed \$3,567,475,000.

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2D Session

**H. R. 11356**

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## **AMENDMENT**

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Intended to be proposed by Mr. Long (for himself and Mr. Ellender) to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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84<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 11356

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## AMENDMENTS

Intended to be proposed by Mr. LANGER to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz:

1 In subsection 11 (d), which adds new sections to the  
2 Act, strike out "section" and insert "sections", and add at  
3 the end of the subsection the following:

4 "SEC. 552. Assistance to American Indians, of the  
5 funds appropriated pursuant to this Act for the fiscal year  
6 1957, not less than \$50,000,000 shall be used for economic  
7 assistance to the Apache and Everglade Indian Tribes,

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**AMENDMENTS**

Intended to be proposed by Mr. LANGER to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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## AMENDMENT

Intended to be proposed by Mr. HUMPHREY of Minnesota to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 55, after line 16, insert a new section:

1        SEC. 14. It is the sense of Congress that in the prepara-  
2        tion of the fiscal year 1958 mutual security program, the  
3        President should take more fully into account the desirability  
4        of affirmatively promoting the economic development of  
5        underdeveloped countries, both as a means of effectively  
6        counteracting the increased political and economic emphasis  
7        of Soviet foreign policy and as a means of promoting funda-  
8        mental American foreign policy objectives of political and  
9        economic self-determination and independence.

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2<sup>D</sup> Session

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## AMENDMENT

Intended to be proposed by Mr. HUMPHREY of Minnesota to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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2D SESSION

# H. R. 11356

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IN THE SENATE OF THE UNITED STATES

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## AMENDMENT

Intended to be proposed by Mr. LANGER to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: At the end of the bill add a new section as follows:

- 1        SEC. 14. Notwithstanding the foregoing provisions of
- 2 this Act, such provisions shall not be construed to authorize
- 3 the appropriation for the fiscal year 1957 of amounts aggregating in excess of \$3,270,075,000.

84TH CONGRESS  
2D Session

# H. R. 11356

## AMENDMENT

Intended to be proposed by Mr. LANGER to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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# H. R. 11356

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## AMENDMENT

Intended to be proposed by Mr. McCARTHY to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 38, between lines 18 and 19, insert the following:

1 (e) Add the following new section:

2 "SEC. 515. TERMINATION OF AID TO COUNTRIES  
3 TRADING WITH COMMUNIST CHINA.—During any period  
4 during which any American citizen is held prisoner by Com-  
5 munist China no assistance under this Act or under any  
6 other Act providing financial assistance to foreign countries  
7 shall be furnished to any foreign country which (a) exports  
8 or knowingly permits the exportation of materials or prod-  
9 ucts from such country to Communist China."

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# H. R. 11356

## AMENDMENT

Intended to be proposed by Mr. McCARTHY to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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## AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, viz: On page 55, after line 16, insert the following new section:

1        SEC. 14. (a) Upon request made by any committee or  
2        subcommittee of either House of the Congress having jurisdic-  
3        tion over the subject matter, or having the duty to study the  
4        operation of Government activities with a view to deter-  
5        mining their economy and efficiency, each department,  
6        agency, office, officer and employee in the executive branch of  
7        the Government charged with any responsibility incident to  
8        the expenditure of any funds made available pursuant to this  
9        Act or any Act amended by this Act shall make available to

1 such committee or subcommittee for examination and study  
2 all books, records, memoranda, communications, or other  
3 documents pertinent to the expenditure or proposed ex-  
4 penditure of any money so made available. No such officer  
5 or employee of any such department, agency, or office shall  
6 be entitled to withhold from any such committee or sub-  
7 committee any testimony or any documentary evidence.

8 (b) Any evidence so requested by any such com-  
9 mittee or subcommittee which relates to any matter which  
10 has been classified for reasons of national security shall be  
11 received in executive session, and shall be subject to such  
12 safeguards against unauthorized disclosure as such committee  
13 or subcommittee shall prescribe after consultation with such  
14 department, agency, or office.





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2D Session

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## **AMENDMENT**

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Intended to be proposed by Mr. McClellan to the bill (H. R. 11356) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

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